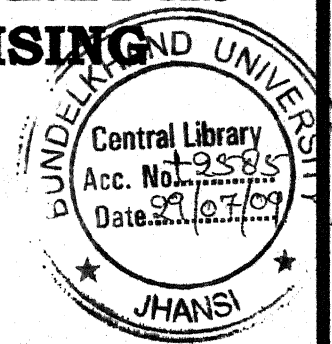


# **EFFECTIVENESS OF INTERNET AS A MEDIUM OF ADVERTISING**



**THESIS  
SUBMITTED TO  
THE BUNDELKHAND UNIVERSITY, JHANSI  
FOR THE AWARD OF  
THE DEGREE DOCTOR OF PHILOSOPHY  
IN MANAGEMENT**

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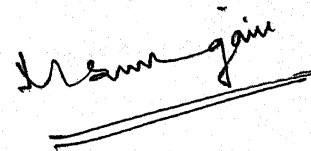
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**Certificate**

This is to certify that the **Ph.D. Thesis** titled "**Effectiveness of Internet as a Medium of Advertising**" submitted by **Devendra Kumar Dhusia** for the degree of Ph.D. in Management from Bundelkhand University, Jhansi, is the original work of candidate which has been carried out under my guidance and supervision.

He spent with me the time as required by the statute of the Bundelkhand University Jhansi, for the purpose of research and guidance.

I further certify that this work is in shape for submission for the Ph.D. degree in Management



**Dr Mohan Sharan Nigam**

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19/05/05

  
**Devendra K Dhusia**

## PREFACE

From the earliest days of applied psychology and scientific marketing, researchers have sought reliable and valid measures of the effects of advertising. All of the chapters and commentaries show healthy tension between the more theoretical interests and dispositions of the academic community and the more applied, results-oriented interests and dispositions of real-world research. The bottom line, as the real-world participants would say, is that measuring advertising effectiveness is so complicated that, although it is both a valid, important academic topic and a consequential applied problem, neither academic researchers nor industry researchers are likely to make decisive progress without help. Instead, reliable and valid measures of advertising effectiveness are most likely to emerge from constructive criticism and mutually supportive interaction between the two camps. On that conclusion, the long history of the topic and the exchanges at this conference fully concur.

India is a developing Country The Internet revolution seems to be in full swing, but is India really plugged into the global community it represents? Maybe yes, maybe no. In this race the Development of technology and advancement the Internet advertising come in fore. India has about 0.4 million households connected to the Internet with 1.6 million Internet subscribers (or 5 million users). This shows the user have a good strength which are surfing net in this aspect he internet Advertising is the medium which can be made make it own place in the current Advertising Industry.

The Researcher has therefore taken up the exploration on the Effectiveness of Internet Advertising as a medium of advertising, so that the over all study is made with the help of techniques and tools that made the demand of this high technology age in its real existence as the medium Internet for Advertising.

In all there are 8(eight) Chapters and all these chapter shows the birth of advertising, Internet and there growth with the effectiveness of internet and IA. The Chapter 1 is Frame work of Advertising which gave the over all picture of advertising it growth, its characteristics future advertising media and its effect. Chapter 2 is Introduction to Internet use and growth this chapter gave the rose picture of Internet, its uses ,the uses technology, its Exposure and fuelling the next Wave. Chapter 3 is Research Methodology, which pin points the systematic investigation and study.

The Chapter 4 deals with Budget decision and study of IA objectives and their analysis and Findings with Market share Advertising Cost on the Web Product differentiation pricing Models, CPM (Cost per thousand on web hit).

The Tentative explanation for an observation or phenomena that can be tested through Experimentation is discusses in the Chapter 5 as hypothesis, which brings the new direction in the research on the Internet advertising.

Message And Design is Chapter 6, in this chapter the discussion is made on the important decision taken while designing the online Ad and its Models. The chapter 7 is Analysis and Findings, deals with detailed examination of elements and structure with conclusion reach by an enquiry form IA formats Conceptualization it criteria of effectiveness .

Conclusion and Recommendation is The chapter 8 which deals with the over all play of modern advertising scenario with existence of IA its comparison with other medium with the facture that points the growth in on line ad and what can be done in the coming scenario of advertising.

Thus an attempt has been made to develop Internet as medium of advertising because the coming age is full of on-line services which is being highly promoted by the Government of India which make hope that the future of

Internet Advertising is quite healthy. The views expression and suggestions are the result of information gathered by researcher in previous chapter.

But despite it, the Internet advertising community has a long way to go to close the gap between the amount of time people spend on the Internet and advertising spend.

To,

*My Father  
Late Shri Hari  
Bahadur Rao*

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## Chapter – 1

# Frame work of Advertising

### ADVERTISING IS ...

*"Advertising is the principal reason why the business man has come to inherit the earth."*

- Advertising
- Advertising in India
- Characteristics of Advertising
- Different media of Advertising
- Advertising on the Internet (The Indian Perspective)
- Internet Usage Patterns and Demographics
- Thoughts About The Future of Advertising
- What Forms will Advertising take in the Future?
- The Media and Advertising
- The Effects of Advertising on Media (Media Measurement)
- The effects of media on advertising (new media)

## ADVERTISING

Advertising as we know dates back to civilization itself. As much as some 3000 years ago papyrus Sheets were used in Thebes in Egypt in order to announce the reward for return of runaway slaves. In Egypt, criers were used to announce the arrival of trade-ships. Around 1500 BC. Shopkeepers in Athens were advertising largely in the form of signboards and hoarding (Winter, writer Zeigler, 1985). In ancient Greece Town, Criers sold slaves and cattle, made public announcements and chanted advertising rhymes, which must have sounded something, like today's singing commercials (Dunn Watson S, 1982). The *Latin* origin of advertising is "*advertere*" (to turn towards). Advertising is the communication links between the seller and the buyer or consumer it does simply provides information about product and services but an over appeal to reasons or emotion in other words advertising does not ends with the flow of information the seller to the buyer it goes further to goes further to influence and persuade people to action or belief this is however only the communication point of view of advertising function and that is the marketing point of view.

Advertising as means of mass communication has, therefore made selling possible. It is the one of the most Important tool of marketing Mix. The objective of advertising is specific communication to be specific target audience during a specific period of time that is Informative, persuasive, and comparison with other product and services.

Advertising is an institution that includes all the purposive communication efforts of an identified sponsor which, actively or passively, influence consumers' perceptions about brands and issues."

"Advertising is a promotional activity that is used as a function of marketing to communicate persuasive information from an identified sponsor to an identified audience."

"All forms of persuasive communication used to reach a large potential audience. This includes activities such as direct marketing, interactive media messages, public relations efforts and more traditional mass communication, when the intent is to persuade and inform individual members of a target audience."

"Advertising is the combination of persuasive or promotional elements initially controlled by the advertiser through which s/he communicates about a product, service or idea with a defined set of consumers or prospects via a clear, concise and easily understandable message."

## **ADVERTISING IN INDIA**

Advertising in India dates back to the Indian civilization. Relics of Harappa, Mohenjodara indicate names engraved on exquisite earthen, stone or metal works, which is comparable to the present trademarks system. Painting or writings on walls indicating slogans or stone engravings indicate a form of advertising. Advertising then was no doubt in its crude form. However, the underlying reasons for using the same remained consistent i.e. to communicate information and ideas to group of people so as to change or reinforce attitudes. The origin of commercial advertising in India is relatively recent "B Dattaram and Co" was the first advertising agency promoted in the country in 1905. The growth of Indian advertising too has been slow with Pre-Independence era almost unaware of it. In 1918, first professionally managed modern advertising agency "Tata Publicity" was started by Lastromach-a-British Army officer in Bombay; followed by D.Jekey More's operations in 1929 and Thompson advertising agency which started its operations in India in early 30's. As against 14 agencies in 1914 there were 45 agencies in the 1944. The gross annual media billing was just Rs. 5 Crore only. The post -Independence era witnessed radical changes in the year advertising scene. There was a Phenomenal growth in both the number agencies and media billing.

## CHARACTERISTICS OF ADVERTISING

Since advertising appears in many forms, have varied uses, disseminated through variety of media, it is rather difficult to make generalization about its distinctive characteristics as an important element of promotion mix. Few prominent characteristics are detailed here.

1. **Public presentation-** Advertising is a highly public mode of communication. This public nature Kind of confers legitimacy on the product familiar which suggests a standardized offering. Since tha same message is communicated to a large number of people, they are aware if the product uses, benefits and application and therefore the rationale of buying a product is publicly known.
2. **Pervasiveness** - Advertising used to build selective demand for a brand by persuading consumers that its offers the best quality for there money these messages are largely bought by both indoor and out door media of Advertising.
3. **Eliciting favourable consumer response** - Today, the consumer are exposed to a large number of varied advertisings. An effective ad campaign will try to effect competition through the impact it creates in the form of favourable consumer response towards its product and services.
4. **Impersonality** - Advertising is non-personal communication, which cannot be as compelling as a company sales representative. The viewers of advertising need not pay attention to or respond to the advertisement. Advertising is thus only able to carry on a monologue and not a dialogue with the audience. However, it may generate a favourable response for a particular product.
5. **Amplified Expressiveness** - Advertising provides opportunities for dramatizing the product through the artful use, colour, and sound or effective use of music and celebrities. But its very success at expressiveness may dilute or distant or distract the audiences attention from the message.

## DIFFERENT MEDIA OF ADVERTISING

In advertising the term media refers to communication vehicles such as newspapers, magazines, radio, television, billboards, direct mail, and the Internet. Advertisers use media to convey commercial messages to their target audiences, and the media depend to different degrees on advertising revenues to cover the cost of their operations. In 2001, U.S. advertising expenditure in media was estimated at \$233.7 billion, of which television accounted for 22.5 percent, direct mail 19.8 percent, newspapers 19.3 percent, radio 7.7 percent, yellow pages 5.8 percent, magazines 4.7 percent and the Internet 1.8 percent, with other media accounting for the remainder.

The media are usually classified into either mass or niche media. Newspapers, magazines, television and radio are considered mass media because they deliver messages to a widespread, anonymous audience. There were 1,483 daily U.S. newspapers in 2000, with total circulation of 47.2 million on weekdays and 59.9 million on Sundays. In September 2001, the five largest U.S. newspapers were USA Today, The Wall Street Journal, The New York Times, the Los Angeles Times, and The Washington Post. There were 3,188 consumer and farm magazines, with paid circulation of 399 million. In the beginning of 2000, there were 1,248 commercial television stations and 10,220 commercial radio stations in the U.S. The wide coverage of the mass media makes them ideal vehicles for advertisers who need to reach a large audience.

Advertising media such as cable television and direct mail are often viewed as "niche" media because they reach a narrowly defined audience with unique demographic characteristics or special interests. With 54 or more cable channels available in 62.1 percent of U.S. wired cable subscriber households in 2000, for example, audiences can tune in to CNN for continuous coverage of events around the world, to Home & Garden TV for information on home improvement, or to Cartoon Network for children's programming. Direct mail, the second largest advertising medium in the U.S. in 2001, offers more

flexibility in terms of precision targeting and content customization. Direct mail can be used to reach almost every consumer with personalized messages. The Internet has emerged as a medium for marketing and advertising since 1994. The Internet is different from conventional advertising media in several respects. First, it can serve as not only a communications channel but also a transaction and distribution channel. Consumers can get information and make purchases and payments all through the Internet. No other medium can accomplish these marketing functions instantly, without resorting to other means. Second, the Internet is by nature interactive. Users can initiate a shopping process by visiting a Web site and then clicking on hyper-linked text for more information. It is a two-way communication, with the Internet serving as a provider of customized content that meets an individual's needs. Third, it has the capacity for multimedia content. It can carry not only text and graphics but also audio and video content. The multimedia nature of the Internet is suitable for high-impact advertising. The Internet has become an integral part of the media mix for many advertisers, and new forms of advertising have filled the World Wide Web landscape, including animated banner ads, sponsor logos, interstitials, "advertorials," "advertainment," and 3-D visualization.

## **ADVERTISING ON THE INTERNET**

### **(The Indian Perspective)**

India has about 0.4 million households connected to the Internet with 1.6 million Internet subscribers (or 5 million users). This figure is expected to increase to 8 million subscribers (18 million users) by March 2003. Presented below are the key findings from the Nasscom Internet Survey of growth of Internet in India.

As of March 2000, there was a PC base of 4.3 million PCs. Out of these, there were more than 3 million machines, which had Pentium chips, and above (i.e. machines that could be effectively used for Internet). More than 81% of

standalone PCs purchased, during financial year 1999-2000, were driven by the need to access the Internet.

If your goal is verifiable return on investment or branding, our objective is to quickly exceed your expectations.

Internet Advertising Group will design and implement an online marketing strategy that will enable your company to obtain more customers quickly and cost effectively. For us, the best gauge of a successful marketing campaign is your actual sales. Our most important objective is to help you grow your business and brand.

## **INTERNET USAGE PATTERNS AND DEMOGRAPHICS**

- Internet access continues to be most widespread amongst the 18-24 year age group, though all age groups have seen vast increases in access over the last 18 months. Another significant development is that almost 11% of people over the age of 40 now access the Internet.
- Males continue to outnumber females in accessing the Internet at 77% compared to 23%. This has however increased from the ratio of 82:18 in 1999.
- Internet users on an average are estimated to be accessing the Internet for 6 hours a week.
- The profile of Internet users in India is dominated by the professional / corporate segment with 43 per cent of Internet usage. Close behind is the student community (both school and college goers) with close to 38 per cent of Internet surfers.
- About half (59.2%) use the Internet as an information resource, 11.3% use it as an educational tool and just fewer than 8.2% use it for entertainment. When asked what are the most frequently used service

online was, 73.4% answered email, 77% answered search engines and 23% said they use it for downloading / uploading software.

- The emergence of competitively priced mobile phone technology with the capability to address the Internet is an evolutionary development. India currently has a mobile population of 2.3 million (by March 2000). Of the total Internet users around 20 per cent own credit cards and around 14 per cent own mobile phones.

## **THOUGHTS ABOUT THE FUTURE OF ADVERTISING**

Thoughts about the Future of Advertising Skeptics who forecast the demise of advertising ignore the fact that business and other enterprises have an innate need to communicate with their publics. The real question is not will advertising continue to be an important tool of business communication but simply, what forms will advertising take in the future?

Certainly a host of issues related to change face the advertising business. Such issues include the relative importance of the various types of advertising over time, who will pay for what, what controls might be appropriate in light of the changing media environment, and so on. To illustrate, it is inevitable that certain advertising media decline over time (e.g., network television) and others flourish (e.g., data base marketing communication). Such ebb and flow in terms of the advertising business is predictable and healthy just as the evolution of a species is in the natural world. In the paragraphs below, four critical arenas of change are briefly examined: (1) media (2) legal (3) consumer and (4) creative.

In the media arena, while changes and improvements in traditional mass media continue to occur, a massive change is underway which blends the efficiency of traditional mass media and the marketing potential of one-to-one interactivity. Examples of this blending include, most importantly, the Internet, but also

personalized supermarket checkout coupons and personal in-flight video screens. These new media mandate an examination of four important and related issues. First, the issue of how advertisers can participate in the development of such media to the benefit of all the parties involved must be carefully examined. Second, issues related to audience measurement and who will provide them are critical to the successful development of the new media. Third, the dynamics of how consumers interface with these new media must be studied and understood. Finally, the issue of how to most effectively and efficiently advertise in the new media environments requires thoughtful study by marketers.

In the legal arena, the Federal Trade Commission (FTC) altered by forces such as the downsizing of its staff, state involvement in national advertising regulation, and the influence of Chicago School economics faces significant challenges in monitoring and proving illegalities in a high-technology environment. The emergence of new media will increase pressure on legislative bodies and the courts-both inherently suspicious of advertising-to take action to protect consumers. Central issues under legal scrutiny are related to infringements on consumer privacy, pornography and free speech.

In the consumer arena, markets are increasingly becoming more global and multicultural. Virtual as well as foreign-based multinational firms using "niche marketing" techniques will become more important in garnering the consumer's brand loyalty worldwide. The increasing globalization of business places unique demands on advertising agencies to evolve into either "specialists" or "generalists" in terms of their scope of services, market coverage, media expertise and creative competence. Increasingly, there will be a premium paid to those who are able to recognize cultural differences plus adapt quickly to different and changing environments. In the creative arena, the move is toward the marrying of new artistic, cultural and communicative forms. With its ever-increasing capabilities, the computer continues to change the visual

communication and advertising businesses. In the emerging era; for example, images and type are layered, precariously balanced and sized, ghosted, running hither and yon around the page and generally deconstructed. Increasingly, images operate purposefully in dissonant patterns. Creative must meld the strategic and the innovative into contextual visual solutions, often in emerging media. Creating advertising for the Internet, for new CD technologies, for new broadcast and narrowcast venues is rich with possibility.

In conclusion, the future of advertising, while challenging, is bright and unlimited. As unlimited as the imaginations of the marketing communication professionals who are constantly seeking more effective and efficient means to promote the brands and companies they represent.

Advances in computer and communication technologies are opening up unprecedented opportunities for advertising people. Now is a time of great excitement and opportunity for the advertising industry.

If an advertising agent working on the account of a product such as Quaker Oats cereal in about 1900 were to have been transported forward in time to 1925, the challenges, choices, and risks he faced would have been in many respects familiar. If the same agent had been transported backward to 1875 that could not be said. Advertising agencies were relatively unknown then, and those that existed had ill-defined responsibilities. The mix of products for which they were placing advertisements was quite different from that on the market at the turn of the century. Quaker Oats itself had not yet been invented. Thus, the history of advertising in America falls into two eras separated at about this turning point.

To begin with, we should define advertising. It is mass communication an advertiser pays for in order to convince a certain segment of the public to adopt ideas or take actions of benefit to the advertiser. During the past century, large

American manufacturers have played a leading role in developing this craft, but in earlier years, leadership in terms of design and creativity lay elsewhere.

In the eighteenth century, Great Britain boasted the most advanced advertising. Handbills and trade cards proclaiming in extravagant terms the excellence of sundry products and services were common. Among the items being sold, few if any caused more excitement than the New World itself. Signs and handbills touting its wonders were so ubiquitous in London that Richard Hofstadter has observed that America was conceived amidst "one of the first concerted and sustained advertising campaigns in the history of the modern world." Daniel J. Boorstin believes that such promotion may have had a significant impact on the speed of emigration and has wondered about the impact on American civilization of the fact that "there was a kind of natural selection here of those people who were willing to believe advertising."

Advertising was a well-established practice in the late colonial and early national periods in America, but these advertisements were neither as appealing to the eye nor as cleverly crafted as were their counterparts in England. The type was so illegible that Benjamin Franklin observed: "If you should ever have any secrets that you wish to be well kept, get them printed in [the] papers." Moreover, the United States was a predominantly rural nation. Its farmers may not have been totally self-sufficient, but they produced more of their own food, clothing, and household items than did urbanites. Thus, more Americans focused on production for survival than on consumption for pleasure. With a sparse, predominantly rural population and without an efficient system of transportation and communication, the country had neither the need for nor the means of concerted national advertising campaigns.

Most advertising during the early national and antebellum periods was repetitious and unimaginative. Writing of the pioneer merchants on the middle border, historian Lewis Atherton observed that "in general the early advertising

was dreary, matter of fact reading, served a limited purpose, and was completely devoid of ... customer appeal. . . . one advertisement was like all others."

There were advances in American advertising in the larger cities during the 1820s and 1830s with improvements in printing technology and a change in advertising philosophy. James Gordon Bennett, Sr.'s, *New York Herald* and other New York penny press newspapers prided themselves on speaking directly to the mass public in understandable and accessible terms, and they wanted their advertising to have the same appeal. In 1848, Bennett began changing the *Herald's* advertisements every day, making them news just like the editorial matter.

The precursors of advertising agencies also date from this period. By the 1840s, Volney B. Palmer was listing his "coal and advertising" agency in New York City's business directory. The very description of the business—coal and advertising—illustrates how undifferentiated advertising was in those days.

Modern advertising really began in the 1880s, when new methods of manufacturing led to greatly increased output and decreased costs for the producers of consumer goods. Advances in packaging technology meant that products could be packaged at the plant rather than shipped to a wholesaler who traditionally broke bulk and put his own name on them. Moreover, the telegraph network was in place and the continent had been crisscrossed by a network of railroads, bringing its farthest reaches within the purview of the incipient consumer culture.

Prior to the 1880s, the American marketing system had been characterized by an intricate set of wholesalers, jobbers, and other middlemen whose most important function was to buy in large lots and sell in smaller ones. In this age, the wholesaler was king. But in the new era of the 1880s, the importance of the packaged goods manufacturer greatly increased. What manufacturers could

package at their own plant, they could brand. What they could brand, they could advertise. What they could distribute nationally, they could advertise nationally. This, Daniel A. Pope has written, "necessitated the growth of advertising agencies and dictated their activities" and also "tipped the balance in advertising from information (however specious much of it had been) to persuasion."

National advertisers provided the media and advertising agencies with a new set of clients whose standards of conduct were far higher than those preceding them. The most widely advertised consumer products through most of the nineteenth century had been patent medicines—nostrums for which their purveyors made extravagantly false claims. But the new companies, although not always innocent of misstatements, depended upon repeat-purchase behavior and thus upon building a bond of trust with the consumer. To do this, they had to eschew blatant falsehoods.

As late as 1893, according to Pope, more than half of a sample of over a hundred firms spending more than fifty thousand dollars annually on advertising were patent medicine manufacturers, whose advertisements were often of the "cancer cure" variety. His list of the largest national advertisers some twenty years later showed a sharp contrast. Most of these firms were not "medical messiahs" but manufacturers of food, consumer chemicals like soap and cosmetics, and consumer durables like automobiles and auto accessories.

For these new firms, advertising served many purposes:

- The introduction of new products, ranging from inexpensive items like bottled cola to consumer durables such as the automobile.
- The introduction of products already on the market to new consumers, like those entering adulthood and immigrants.
- The suggestion of new uses for products already on the market and the repositioning of products. Coca-Cola, for example, began as

something close to a medicine. It was said to "revive and sustain," and to cure headaches. By the 1920s, the beverage's quality as a refreshment and "fun food" was being emphasized.

- The management of the distribution system. Manufacturer advertising could pressure distributors into stocking products because advertising created consumer demand. A consumer might feel more loyalty to a heavily advertised brand like Coca-Cola than to a particular soda fountain and thus not patronize a fountain that did not carry Coca-Cola.

For the consumer product marketer, advertising became the marketing analogy to assembly-line production techniques. It was systematized mass salesmanship, which became a key weapon in the arsenal of companies seeking to create and build brands.

With the new mix of advertising clients and the new conception of advertising came a host of changes in the trade that sharply differentiated twentieth-century practice from the previous era. Among the most important changes were those in the areas of copywriting, research, and source of compensation.

Through most of the nineteenth century, the principal function of the nation's advertising agencies was to buy space in publications at wholesale and sell it to advertisers at retail. In 1892, the N. W. Ayer and Son agency in Philadelphia hired its first full-time copywriter to write the advertisement itself. Soon after, Albert Davis Lasker of the Chicago agency of Lord and Thomas greatly boosted the prestige of the copywriting function within the agency. He founded the "reason why" school, which held that an advertisement had to give the customer a specific reason (perhaps a more accurate description would be "rational-sounding excuse") to purchase a product. This approach contrasted with the bulk of previous copy, which had often consisted of an announcement accompanied by disconnected and incredible claims to excellence.

Modern business corporations and advertising agencies make a major effort to research the projected and actual impact of their advertising. Research at agencies dates back at least to 1879, when Ayer undertook its first such project. Since then agencies, their clients, and independent market research firms often assisted by marketing academicians and economists have spent large sums to determine advertising's effectiveness.

Advertising agencies have always been intermediaries between advertisers and the mass media. During much of the nineteenth century, it was unclear whom the agency represented. Was it primarily a seller of media space or a seller of a manufacturer's product? In the twentieth century, the answer has been the latter. Agencies sell products by buying space or time and are compensated by manufacturers.

The most visible change in advertising in the past hundred years has resulted from the new technology of broadcasting. Initially, many thought that advertising over the "ether" would never be accepted by the public because it would constitute an obnoxious intrusion into the home of the owner of a radio set. And even if it did not prove unacceptable on grounds of taste, many felt that radio advertising should be prohibited as a matter of public policy. When he was secretary of commerce, Herbert Hoover said at a conference on radio in 1922 that it was "inconceivable that we should allow so great a possibility for service to be drowned in advertising chatter." By the end of the decade, however, advertisers and their agents had come to realize radio's possibilities. With its drama and immediacy, radio could convey their message directly to the consumer who would not need to purchase a publication or even be literate.

In the 1950s came television, which was commercialized in the United States to an exceptional degree. American advertisers had more minutes to telecast more commercial messages to more market segments (including children) than anywhere else in the world. Through television, advertisers could demonstrate

the use of their product and present well-known figures to praise it. As had been the case with radio, those companies that first exploited the commercial potential of television reaped lavish rewards.

Advertising has been heavily criticized on a variety of counts. Economists have charged that advertising distorts competition by raising barriers to the entry of new firms into an industry and by distracting the consumer from price. Sociologists have complained that advertising barges into the home with pseudopopulist rhetoric ("We do it all for you") that in fact encourages a starkly materialistic approach to the world and promotes an ethos suggesting that what one possesses is more important than who one is. The historian of the content of advertising copy Roland Marchand has shown how advertisements adopt various clichés and parables whose relationship to a sensible evaluation of a product's benefits is tenuous at best. Indeed, much advertising copy conveys a message that, if not false, is not really true either.

Consumer advocates have accused advertising of victimizing children too young to tell the difference between a sales pitch and disinterested advice, and they have assailed what they view as its offensiveness to the elderly, to minorities, and to women. Educators, journalists, and others have often voiced disapproval of advertising: a "torrent of mendacity, imbecility, and bilge" was how author Bernard De Voto characterized it some years ago.

Among advertising's critics are the corporations that pay for it. Witness the following complaint: "I know that half of my advertising budget is wasted. The problem is that I don't know which half." This quip, attributed to John Wanamaker, Frank W. Woolworth, and Lord Leverhulme among others, has gained a permanent place in advertising lore and illustrates the degree to which advertisers themselves, despite the vast sums spent on research, remain skeptical about how effective their advertising dollars really are.

It is, however, worth noting that disingenuous as it often has been, advertising is first of all about persuasion. It has, therefore, been historically far less important in command economies than it has been in market economies. For all its many faults, relative freedom to advertise is an emblem of a more general economic and social freedom. Perhaps it is part of the price we pay for that freedom.

### **WHAT FORMS WILL ADVERTISING TAKE IN THE FUTURE?**

Granted, there are a host of sub-issues such as the relative importance of the various types of advertising over time, who will pay for what, what controls might be appropriate in light of the changed media alternatives open to advertisers, and so on. It is inevitable that certain advertising media decline over time (e.g., network television) and others flourish (e.g., data base marketing communication). Such ebb and flow in terms of the media available to advertisers is predictable and healthy just as the evolution of a species is in the natural world.

As the means or media through which advertising messages are conveyed evolve, it is important to stress that the fundamentals of effective communication simply need to be adapted and expanded to fit these new forms. For example, the fundamental principles of effective persuasion articulated by Aristotle 2,350 years ago can be applied just as directly to selling high tech gadgetry via interactive advertising on the Internet as they can to a public debate in ancient Athens. The principles first codified using Starch readership scores in 1923 regarding effective layout and design have relevance to developing an effective home page on the world wide web.

Rather than dreary, the future of advertising is bright and unlimited. As unlimited as the imaginations of the marketing communication professionals who are constantly seeking more effective and efficient means to promote the brands and companies they represent. Advances in computer and

communication technologies are opening up an unprecedented opportunities for advertising people. Now is a time of great excitement and opportunity for the advertising industry.

## THE MEDIA AND ADVERTISING

### The Media

This term refers to the entire set of channels through which it is possible to deliver messages to parts or all of the public. The form of the channel [broadcast, print or electronic] is a less defining characteristic than its' function. If a channel is used to distribute the same message to many people simultaneously it is considered a mass medium. If the channel is only able to transmit a message to one person at a time it is not a considered a mass medium, rather it is a carrier [traditional telephone use]. Another difference between carriers and media is the interaction permitted by the channel. Parties can conduct interactive dialogue on carriers such as telephones and the Internet. There is no interaction between transmitters/message providers and their mass media audiences. New media often exhibit traits of both carriers and media because they are often able to reach many people almost simultaneously and provide a high level of interaction. Examples of new media include: personalized grocery store checkout coupons, electronic information kiosks, grocery store aisle signs, the internet and in-flight personal video screens.

There are at least two topics that must be examined by people who interested in the nature of the relationships among advertising, business, the media, society and the economy. The first topic concerns methods of audience measurement for new media. The second concerns the dynamics of how consumers react to and relate with the new media and new permutations of traditional media.

## **Media and Advertising**

The intrinsic relationship between advertising and media extends beyond the format and delivery of an individual ad. The US media industry is almost completely reliant on advertising for its existence. And, without a media system to convey ads, the modern advertising industry would probably never have come into being. This industry is composed not only of large, medium and small advertising agencies, but includes businesses engaged in all aspects of advertising creation and distribution.

The nature of these industries assures the major forces acting in one will necessarily effect the other. The past 15 years have witnessed major changes in both the media industry as well as the advertising agency industry and its attendant businesses. Hundreds of mergers and acquisitions have helped destabilize the industrial organizational structure of the agency industry. Agencies seem to have given up their role as the partner of business and many have become merely providers of ala carte services. This changed the client to agency relationship. Clients are no longer as loyal to their agencies as they once were. This is evidenced by the increasing number and frequency of account reviews. These changes have also induced/promoted changes in the agency-to-employee relationship. An advertising job is even less stable than it used to be. The agency is no longer family. These factors, as well as technological innovations, fueled an explosion in the number of small businesses engaged in major advertising work. However, as momentous as these changes in the advertising industry have been, their effects on the media industry are not as pronounced or as pervasive as the effects perpetrated on advertising by changes in the media realm.

## **THE EFFECTS OF ADVERTISING ON MEDIA**

### **(Media Measurement)**

While the advertising industry as embodied in the advertising agency has been in a state of transition for some time now as signaled by the arrival of Martin

Mayer's book on *Whatever Happened to Madison Avenue?* in 1992, it was not until the spring of 1994 that the issues in the media end of the institution of advertising reached a high decibel. At the annual meeting of the American Association of Advertising Agencies in Greenbrier, Virginia, Mr. Edwin L. Artzt, Chairman of Procter & Gamble, the largest national advertiser in the US, sounded the alarm to advertising agencies. He directly stated they had better get involved with the "new media" or lose their businesses, plain and simple. Of course, agency media planners had for some time been watching the changing nature of the "old media" scene. Network television dropped from typical abilities to deliver 90 percent of the US population to something approaching 60 percent by 1995. This has been caused largely by a combination of circumstances, not the least of which is the developing "new media" scene. But this meeting provided a "wake-up" call to advertising agency people and media people in those agencies in particular. History shows that agencies originated in their ability to provide a service to advertisers through their connection with the media, notably newspapers. It was the newspapers agreement to provide agents a commission for selling their paper to potential advertisers which provided the impetus for the beginning of the agency concept. Artzt suggested it was time now for agencies to establish relationships with the evolving "new media" in order to continue their traditional role of "service organization" to the media and advertiser.

One of the most important contributions of advertising agency media people has been to help establish definitions of audience measurement and promote such measurement through third-party organizations. It is this system which serves as the foundation of media pricing by media companies as well as media buying by advertising agencies and media buying companies. It was 1869 when one of the first agents, George P. Rowell, issued his first rate directory of newspapers with their rate cards and his own estimate of their circulation; this was the first attempt by anyone to systematically define audience levels of a medium and provide estimates of such audience levels. Some have made the

argument that audience definition and measurement is the compelling as well as controlling feature of the media industry in general. Gigi Taylor (1995), doctoral student in the Department of Advertising at The University of Texas at Austin has reviewed these arguments based upon the work of Peter Miller ("Made-to-Order and Standardized Audiences: Forms of Reality in Audience Measurement), Beth Barnes and Lynne Thomson ("Power to the People (Meter): Audience Measurement Technology and Media Specialization"), and Muriel Cantor ("the Role of the Audience in the Production of Culture: A Personal Research Retrospective") which appears in the book Audience making: How the Media Create Audience. In her paper entitled, "Institutionalized Reality: How Media Institutions (Measurement Companies, Media, Advertisers, and Producers) Create Audiences," she points out that although each of these institutions uses the concept of "audience" in somewhat different ways reflecting each institution's purposes, they all share a common need for definition and measurement of that audience.

Artz was pleading with agencies to become involved with making definitions and constructing measurement systems for the "new media" as a service to 10 advertisers. In his reference to the new media, he said, these are designed to carry "no advertising at all" As a result, mass marketers like P&G "will have a hard time achieving the reach and frequency we need to support our brands." (AD AGE, May 16, 1994, p.1). In the past year, many think as a result of his strong stance on this matter, a task force of the 4A's and the Association of National Advertisers called Coalition for Advertising-Supported Information and Entertainment (CASIE) was formed. This committee has now made recommendations (AD AGE, March 6, 1995, p. 20) regarding legislative/regulatory issues (supporting universal access to the so-called information superhighway), research (urging new-media companies to work with third-party research companies such as A.C. Nielsen to provide accountability in audience measurement) and technology standards (lack of

standards is one of the main reasons why advertisers have not rushed to embrace some of the new media technologies).

Clearly, the issues of audience definition and measurement and who will provide them are of fundamental importance in shaping the nature of media planning in advertising agencies of the near-term future. An example of just one such new medium may point out the problems involved. A new company called Product View Interactive (AD AGE, April 17, 1995) has been formed in 1995 to provide the new medium of "electronic mail" to consumers. For those who do not have access to the internet through government-related agencies, email is not universally available free of cost or at minimal cost like the "old mail." One must pay a monthly fee to Prodigy or similar on-line service, as well as a per-minute fee in many cases, to get access to email privileges. Product View plans to provide email to anyone who subscribes for free to the subscriber. This service will be subsidized entirely by advertisers, as is almost the case in old media of newspapers, magazines and the like. Each piece of email going through the system will be tagged with an advertiser's "stamp" or logo. Additionally, buttons will appear on the screen for access to ads and additional information about the product whose stamp appears. A different stamp will appear on each piece of email opened by the consumer. But advertisers are already complaining about some of the cost structure (especially for business referrals). Clearly, advertisers must have evidence of the rational relationship of cost structure of the medium to the potential audience of this medium.

How will "potential audience" be defined for this email medium? How will audience be measured? Who will do the measuring? Will this measuring company be audited? By whom? These questions need addressing now in order.<sup>11</sup> for the medium to survive if the thesis regarding the importance of "audience measurement" stated above is correct.

Once the audience is defined and measured for this new medium, how will this information be used by media planners in advertising agencies? Reach and frequency have evolved since the 1950's, largely at the behest of media people in advertising agencies, into fundamental concepts which form the basis of most media planning schemes in use today (John D. Leckenby and Heejin Kim, "How Media Directors View Reach/Frequency Estimation: Now and a Decade Ago," *Journal of Advertising Research*, September/October, 1994). It is clear advertisers will continue to want to know how much money to put into a new medium such as email, and this decision can be based upon the estimated reach and frequency of so many "buys" in this medium. Once the "rating" or average audience of email through ProductView is measured, this rating can be used in traditional reach/frequency models to estimate the reach/frequency of any number of buys in that medium. If, for example, the definition and measurement for this medium are such that one could know the average number of people who "click" open at least one email message in a week for a given amount of "placements" of one advertisers stamp on email going through Product View's system, then the cost can be set rationally for this unit of measurement and placement as the basis for a unit of "buy." Further, this unit and resulting measurement can then serve as the basis for projection to any number of "buys" in this medium for the purpose of estimating the reach/frequency of that number of units of "buy." This would serve as the basis, as in all media, for the calculation of cost per thousand people reached one or three times, cost per point people reached, gross rating points, reach, average frequency and the truncated frequency distribution of exposure. Notice advertising media people, at least in this medium, according to the definition offered here, would still be faced with the enduring issue of exposure to the medium as opposed to exposure to the message of the advertiser in the medium. This deals with the concept of effective reach/frequency which is currently of such great interest to advertising media people. The opportunities for dealing with this issue through such new media as internet home pages which are the ads (the medium is the message) will be great for agency media

people as well as academicians. Niranjana Raman, doctoral student in the Department of Advertising at The University of Texas at Austin, is currently working on a dissertation precisely in this area of inquiry.

## **THE EFFECTS OF MEDIA ON ADVERTISING**

### **(New Media)**

Increased computing power has permitted the media to alter its very nature. With the advent and accelerated dispersion of technology through society, media has become less of a mass institution, where all efforts are aimed at providing the most widely appealing news, entertainment and information, to a highly customized industry able to supply very narrow windows into the vast news and entertainment offerings now available. No longer do thousands of copies of identical content create unbeatable economies of scale in production costs. Small and large media firms can provide selective content to a selective audience with reasonable efficiency. New media types have been created to satisfy the wants of select groups of consumers. Old media have been altered and revamped to meet new, more exacting, consumer demands.

This has resulted in fundamentally different interfaces between media and consumers. Some of the most startling changes have occurred in the amount of interaction a consumer has with media today. Both traditional media and the new media offer increasing opportunities for communication with and feedback from audience members. Television news programs are providing phone numbers, email addresses and fax lines to learn what their viewers think and feel about events that affect their lives. The Internet offers advertisers and marketers to get intimate details, such as purchase intention, in real-time from real customers.

Another fundamental change has been in the amount of effort consumers must expend in their search and acquisition of media content. A consumer must expend a great deal of effort to access very selective, and therefore interesting,

media and vehicles, just as the level of effort they must expend to protect themselves from unwanted or intrusive media and vehicle has increased. Conversely and seemingly contradictorily, consumers are also able to access a wider variety of entertainment and information with even less effort [500 channel CATV].

One classification system for describing the relationship between media and consumers has been based on the level of cognitive activity consumers must engage in to acquire information from different media. According to Krugman (1966) it is more cognitively challenging to get information from print than from broadcast media. Another categorization scheme deals with the physical effort or search which is necessary. For example, broadcast is thought to be a fairly easy medium to access because only a little effort [turning on the television or radio] is required to be exposed to the content contained within. More effort is required to be exposed to 13 magazines, and no effort is required to be exposed to outdoor ads. Tremendous effort must be expended to gain exposure to the "new media". Think of all the steps involved in accessing your email: first you had to get access to an on-line server, either pay for it or wait for the bureaucrats to authorize it and then figure out what software to use, how to configure it and then how to get other people's addresses. And email is one of the friendliest of the totally interactive "new media". These changes have had serious and pervasive effects on the advertising industry. Examining how different media "score" on these important dimensions [effort of exposure and degree of interactivity] may provide a useful guide for understanding the more complicated interface between media and consumers which advertisers must now take into consideration. The number of new media, the explosion of vehicles within the traditional media and the resulting fragmentation of the audiences are making it increasingly more difficult to plan media buys. More and more time is taken up by identifying new media alternatives, examining the efficiencies in each manner of reaching the target audience. Due to this

increased need for analytical skills and accountability, media planning has become an executive position where it once was clerical.

Anecdotal - Recently, at a professional conference regarding the nature and future of the advertising industry, a number of clients and advertising agency representatives sat down and tried to figure out how to proceed in the very confusing environment of media proliferation and agency reengineering. The clients kept saying "we need you to lead us through this very confusing mine-field of media opportunities and give us direction so we know what to invest in for the future". The agency people seemed incapable of responding with anything other than "you need to tell us what you want and then we'll invest the time and money to see how you should do it." Both wanted the other to be the risk-taking guide. It seems that one of the important questions is who's responsibility is it to understand how to use the new media strategically.

The "new media" represent, then, the future for advertising agency media people. And they represent a challenge to academic programs in advertising education. Students will need to be pointed in the direction of new application of existing media planning concepts in advertising. They will need to understand how these concepts fit into the new environment. They will need to be involved in developing new ideas about definitions, concepts, measurements and implementations in advertising media. But one thing is clear-the "new media" represent opportunities for growth of advertising rather than its demise if advertising history is any indicator at all of the future. Understanding advertising's role in the development of the media system of today is key to understanding the development of that media system tomorrow.

## Chapter – 2

# Introduction to Internet use and Growth

### **INTERNET IS...**

*"Advertising is the principal reason why the business man has come to inherit the earth."*

- What is the Internet?
- How old is Internet: The birthday of Internet is as follows:
- Internet Resource
- The Net
- Using the Internet.
- Who Uses the Internet in India?
- Internet Exposure by Age
- Time Spent On The Internet Vis A Vis Print & TV
- What do users do on the Internet?
- Wireless Internet – Fuelling The Next Wave
- India & the Internet

## THE INTERNET

The Internet revolution seems to be in full swing, but is India really plugged into the global community it represents? Maybe yes, maybe no.

As the Internet spins a web of interconnectivity around the globe, as it grows literally by the hour, India is struggling, not to catch up but to keep from falling further and further behind.

Inside India, things do seem to be improving. Five years ago there was limited Internet access but only in a few major cities, all in the hands of the government. VSNL, the agency responsible for Internet activities, and the DOT (Department of Telecommunications) provided an agonizingly erratic connectivity, with miserly bandwidth and far too few phone lines. Connection rates ran as low as 5% (for every 20 dialups you might get connected once) and users were frequently cut off. And the rates for this pathetic level of service were among the highest in the world. Domestic users paid about \$2 per hour, and lease lines, for the few companies that could afford them, ranged over \$2000 per month for a 64 Kpbs line. By the end of 1998, after three years of government monopoly, there were barely 150,000 Internet connections in India.

Today (midyear 2000) the government monopoly is largely over. Dozens of small to large Internet Service Providers have set up shop, triggering a price war and an improvement of service. Users are now estimated at over 2 million, with a growth predicted to reach 50 million in the next five years. Small Internet kiosks have set up even in small towns, and the governments, both State and Central are pushing for growth in the Internet sector. Internet is the new buzzword. The many small tutorial colleges that pushed computer software courses of variable quality are now in a hardsell scramble to push Net related content. The Internet represents the new wealth frontier for the middle classes - a good salary and a clean job, and for a few, the chance to go abroad.

There has been a great increase in Indian content on the Internet. Many net entrepreneurs have been quick to realize the huge potential of the global market. Initially, most sites targeted the global Diaspora of Overseas Indians who had more access to the Internet, not to mention the credit cards that drive Net commerce. But there is a growing realization that the Net can reach the large and wealthy Indian Middle class. This group is rapidly plugging into the Net (still out of range for most people here) and there is increased use of credit cards.

Additionally, Business to Business (B2B) transactions are on the increase though there is no accurate estimate of the current or projected volumes. For Indian businesses interested in an overseas market the Net provides an efficient medium of communications - a factor that has retarded a great deal of trade in the past. Email and web sites are available 24 hours a day. And for the large and growing software industry, the Internet offers the ability to reach a client, respond to problems on a real time basis, and transfer products instantly with the click of a mouse. India exports billions of dollars of software annually, and the industry is growing rapidly. The Internet represents so much potential for India, and the demand for efficient Internet infrastructure is growing rapidly. This is where India has been failing. The demand has not yet been met efficiently and this represents an enormous barrier to business and societal development.

Even the government, which has monopolized infrastructure development until recently, has recognized it must not hold back this development. They have opened the industry to private entrants and promised support. In practice, though, the vast bureaucracies that implement (theoretically) the government programs have moved sluggishly and ineffectively. For instance, the private ISPs that were allowed were initially required to acquire their bandwidth from VSNL which wanted a country wide monopoly on this lucrative sector. The result, new users signing up competed for increasingly limited

bandwidth. Now the ISPs have been allowed to establish their own gateways but the effect has not yet been felt extensively. The DOT, responsible for providing phone lines to ISPs lagged way behind and the new providers are often left with far too few lines to service the increased demand. Lease lines are reduced, though still very expensive - approximately \$1000 per month for a 64 Kpbs line.

Some cities in India have developed more efficiently than others. Reports suggest that Bangalore and Madras currently offer better bandwidth. Of course, this is all relative to the pathetic service people were forced to put up with in the past. Hyderabad, where the INDAX offices are located, is trying to promote a cyber savvy image, but the reality is still very poor. We cannot justify a lease line (though reports are that prices are due to drop significantly soon), but rely on a dial up connection that only really works well in the early hours of the morning or late at night. It is not unusual to be unable to get a productive connection for hours at a time during the day, even though we use four or more ISPs. And this poor connectivity still costs us hundreds of dollars a month. Needless to say, the frustration is acute. Not to mention loss of productivity. Our experience, multiplied by that of millions of other small business across the country, amounts to billions of dollars of lost potential business each year. This is a horrific waste.

Looking at India from a global perspective, it is difficult to see how India can actually catch up. Advances in technology, connectivity, and usage of the net are increasing so rapidly that even in developed countries it is hard to keep up. At present, the percentage of Indians connected to the Net is less than a fraction of one percent. Even if it soars to 50 million over the next five years, as predicted, that represents at most 5% of the population.

And how can this amount of growth occur over the next five years when the infrastructure of both the Internet and the telephone network is already far

behind current demand? In developed countries, telephone networks had basically reached saturation when the Internet arrived. The problem was primarily to provide the increased bandwidth and line usage the Net demands. In India the telephone network is antiquated, overextended and only reaches a fraction of the population which is interested in getting a phone. Internet demand is straining the telephone system further.

Private ISPs have entered the arena, and though they were initially stymied by both uncooperative government agencies and by lack of existing infrastructure, there is some promise here. There are also experiments with wireless and cable connections, but even here an antiquated infrastructure and government obstructionism are problems. Businesses are relying more and more on aspects of the Internet. Email, for instance, is a huge asset to companies. And more and more companies are entering into web related business activities, like web site creation, software development, and various service oriented businesses that utilize the Net, like medical transcription or data processing for overseas companies.

In any event, it seems likely that in the future those that can pay for it will have adequate access to the great global community. As in even developed countries, those that can't pay for it, or lack the skills to use it, will be left behind. Unfortunately in India, this disadvantaged group will still be the majority well into the current century. Until the country can mobilize the resources, the education, and the infrastructure to provide a much larger section of its population both the means and the reason to access the Internet, India will not truly join the global community.

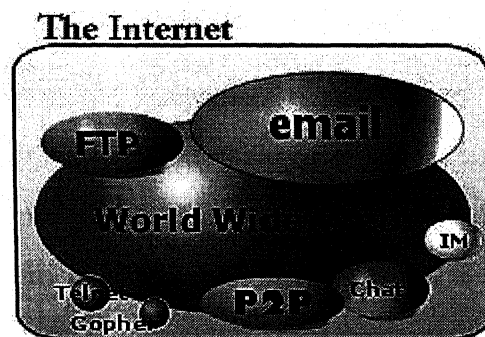
## **WHAT IS THE INTERNET?**

The INTERNET is the name for a vast, worldwide system consisting of people, information, and computers. The Internet is so large and complex as to be well beyond the comprehension of a single human being. Not only is there no one

who understands the entire Internet, there is no one who even understands most of the Internet.

The roots of the Internet lie in a project called the ARPANET, which was sponsored by the United States Department of Defense Advanced Research Projects Agency (ARPA). The Department of Defense was interested in building a network that could maintain itself under adverse conditions. (A NETWORK is a simply two or more computer connected together.) The original idea was to build a network "Capable of carrying military- and government information during a "nuclear event".

The project was started in 1968 and soon evolved into a more general goal of developing techniques to build a large-scale network. The Arpanet continued for years and was gradually phased out after having officially been declared completed. By then, the technology to connect computers reliably and economically had been developed, and today the Arpanet's spiritual descendents form the global backbone of what we call the Internet.



### HOW OLD IS INTERNET:

The birthday of Internet is as follows:

- The first Arpanet working group met at Stanford Research Institute on October 25 and 26, 1968
- The original Arpanet used special-purpose communication computers called IMPs (Interface Message Processor). The IMPs acted as the interface between regular computers and the Arpanet. The first IMP

was delivered to a lab at UCLA in Los Angeles on September 1, 1969.

- The first connection between two distant IMP #1 was in Los Angeles. IMP #2 was at the Stanford Research Institute in Menlo Park, California.

Finally, on Dec 5, 1969, the Arpanet was officially established by connecting four IMPs at Los Angeles, Menlo Park, Santa Barbara (U.C. Santa Barbara), and Utah (the University of Utah.).

## INTERNET RESOURCE

At first, the goal of the Arpanet researchers was to develop one large network to connect computers over long distances. However, by the mid-1970s, it became clear that no single network was going to be able to serve everyone's needs. The researchers saw it would be far more useful to develop a technology that could connect various types of networks into a single large system. This led to the concept of an "internetwork" or "internet".

Thus, today's Internet is not really a single large computer network. It is actually a collection of tens of thousands of networks spanning the globe.

Perhaps the best way to understand the organization and importance of the Internet is to compare it to the two other great worldwide communication systems: the postal system and, the telephone system. Both of these consist of many, many smaller parts, connected together into a large international organization. The great advantage of the Internet, though, is it is much more flexible and a lot faster.

Although the Internet is newer than the postal and telephone systems, it has found a permanent place in our society and our economy. Indeed, the world is now so dependent on the Internet, we could not get by without it. (If you have not yet used the Internet, you may find it difficult to believe how important it

is. All I can say is, just wait until you have used the Internet for a few months, and you will see for yourself.)

It would be a mistake, though, to think of the Internet as a computer network, or even a group of computer networks. From our point of view, the computer networks are simply the medium that carries the information. The beauty and utility of the Internet lie in the information itself and in the people who participate. As we start to work together, this is how I want you to think of the Internet: not as a computer network, but as a huge source of practical and enjoyable information.

But this is only the beginning. I would also like you to develop an appreciation of the Internet as a people-oriented society. Put simply, the Internet allows millions of people, all over the world, to communicate and to share. You communicate by either sending and receiving electronic mail, or by establishing a connection to someone else's computer and typing messages back and forth. You share by participating in discussion groups and by using the many programs and information sources that are available for free.

In learning how to use the Internet, you are embarking upon a great adventure. You are about to enter a world in which well-mannered people from many different countries and cultures cooperate willingly and share generously. They share their time, their efforts, their knowledge and their products. (And you will too.)

Every resource on the Internet, exists because a person or a group volunteered their time. They had an idea, developed it, created something worthwhile, and then made it available to anyone in the world.

Thus the Internet is much more than a computer network or an information service. The Internet is living proof that human beings who are able to communicate freely and conveniently will choose to be socially cooperative and selfless.

The computers are important because they do the grunt work of moving all the data from place to place, and they execute the programs that let us access the information. The information itself is important because it offers utility, recreation and amusement . . .

But, overall, what is most important is the people. The Internet is the first global forum and the first global library. Anyone can participate, at any time: the Internet never closes. Moreover, no matter who you are, you are always welcome. You will never be excluded for wearing the wrong clothes, having the wrong colored skin, being the wrong religion, or not having enough money. A cynic might say the reason the Internet works so well is that there are no leaders. Actually, there is some truth to this. As unbelievable as it sounds, nobody actually "runs" the Internet. Nobody is "in charge" and no single organization pays the cost. The Internet has no laws, no police and no army. There are no real ways to hurt another person, but there are many ways to be kind. Perhaps, under the circumstances, it is only natural for people to learn how to get along. (Although, this does not stop people from arguing.)

What I choose to believe is, for the first time in history, unlimited numbers of people are able to communicate with ease, and we are finding that it is in our nature to be communicative, helpful, curious and considerate.

My suggestion is to think about the Internet as an entity in its own right: a worldwide organism consisting of countless numbers of people, information sources, and computers joined in a symbiotic confluence. At first, the term "organism" may seem a bit strange but, as you start using the Internet, you will see it very much has a life of its own beyond the machines and the individual people.

## **THE NET**

The Internet is often referred to as THE NET. This conjures up an image of a mysterious something-or-other that magically connects people, information, and computers from all over the world.

Actually, this is a pretty good way to think of the Internet and, in this book, I will use the terms "Internet" and "the Net" interchangeably.

Although there is plenty of room on the Internet. For technical thinking, much of what happens really does fall into the category of magic. What do I mean by this? I mean that now that the people, the information, and the computers have come together, we human beings find ourselves with something more wonderful than 'Ye have ever imagined, something that transcends anything we have ever created.

Someday, I am sure, we will have a name for this wonderful thing. For now, we just call it. "the Net".

Joining the Internet allows you to become part of a complex system with millions of components that, taken as a whole, is nothing less than the next great step in human evolution. That is the Internet.

## **USING THE INTERNET.**

Using the Internet means sitting at your computer screen and rising a program to perform some task. You might be at work, at school, or at home/using virtually any type of computer, such as a PC or a Macintosh.

A typical session might begin with you checking your electronic mail. You can read your messages, reply-to-those that require a response, and perhaps send a message of your own to a friend in another city.

You might then read a few articles in some of the worldwide discussion groups: perhaps jokes from one of the humor groups, or recipes for a dinner that you are planning for the weekend. Maybe you are following a discussion about Star Trek or philosophy or literature or aviation.

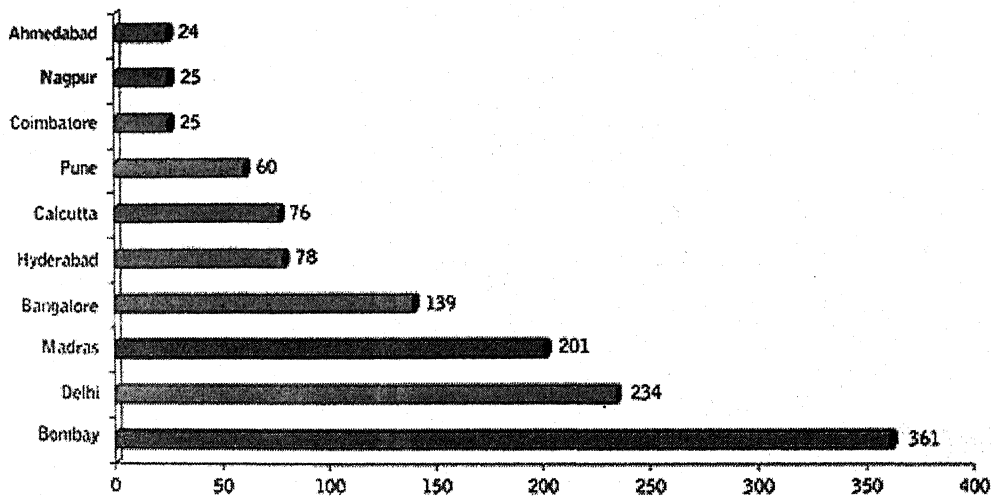
After leaving the discussion groups, you might play a game, or read an electronic magazine, or search for some information on a computer in another country. You might then spend a half hour or so looking around for interesting things. On the Internet, it is easy to move from one place to another as your mood takes you:

### **WHO USES THE INTERNET IN INDIA?**

There are 300 million users worldwide today with nearly 150,000 users added everyday. Internet penetration in Asia is presently driven by business, unlike in USA, where individuals drive it. The total Internet home connections here in India are close to 1.6 million, though it is estimated that the total number of users is nearly 4.8 million (Aug 2000 - Nasscom).

Data available with Nasscom, IMRB, Edelweiss Capital and CLSA reveal that Indian Internet users chiefly found in the age group of 19-34, of which 80% are male. It is estimated that the Internet user spends an average of 10 hours per week, usually earns over Rs. 6,000/- per month, and is most likely to use the Internet for sending and receiving e-mail. Less than 5% buy anything on the Internet, the advertising spend per user being estimated at Rs. 140/- and transaction per user: approximately Rs 500/-.

A RightServe analysis of IRS 2000 reveals interesting facets of the Internet user in India. The top 10 cities contribute to 60% of the total Internet penetration in India, with Bombay at 18%, followed by Delhi & Madras with 11% and 10% respectively.



Figs in 000's Source IRS 2000

### TIME SPENT ON THE INTERNET VIS A VIS PRINT & TV

According to IRS 2000 the average time spent on the Internet versus other media is as follows:

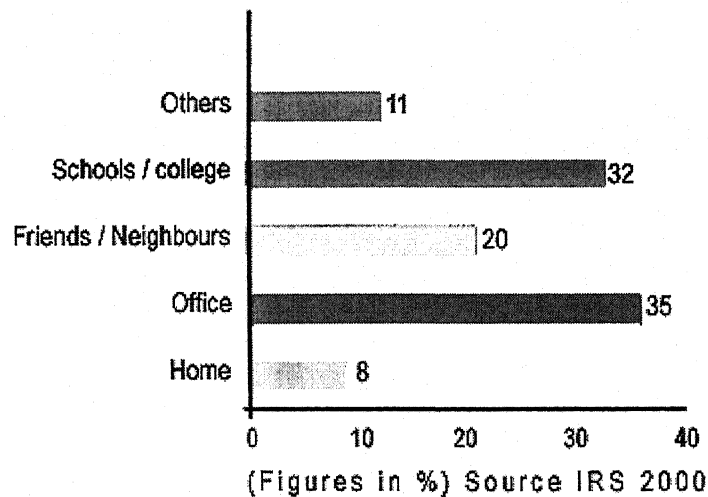
	Saturday	Sunday	Weekdays
Internet	1.08	0.39	1.29
Press	1.13	1.24	1.13
TV	2.39	3.07	2.21



Source: IRS 2000 :- (Time in hrs)

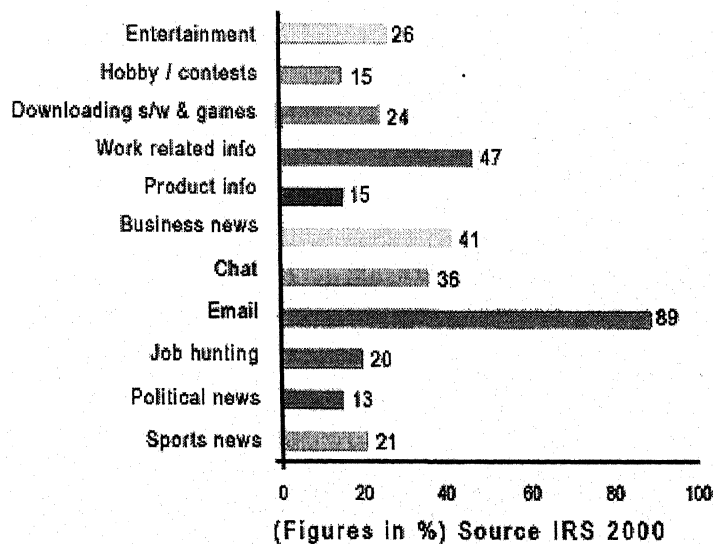
Thus, it makes innate business sense for brand managers to use the Internet, as the medium does not lag behind.

## PLACE OF ACCESS



## WHAT DO USERS DO ON THE INTERNET?

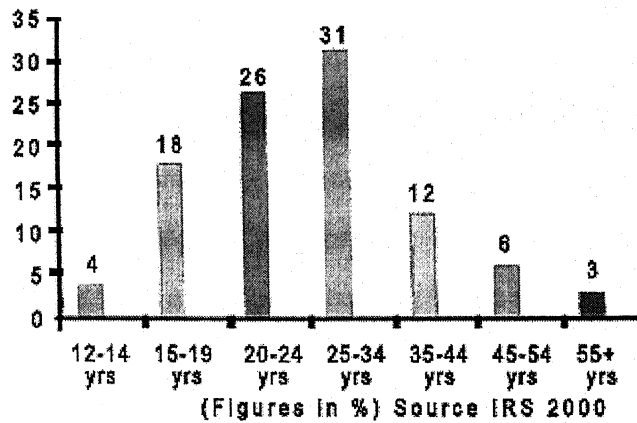
A majority of today's consumers i.e. those with disposable income, fall in the age group of 25+ and 52% of them are exposed to the Internet. Their reasons for logging on to the Internet range from e-mail to getting updates on business news, product information, political and sports news. E-mail by itself accounts for 89%. Over 35% accessed the Internet from the work place, 32% from place of study and 8% from home.



What must be kept in mind is that a person who is checking his mail is not only restricted to checking his mail. These people can be reached very easily at they

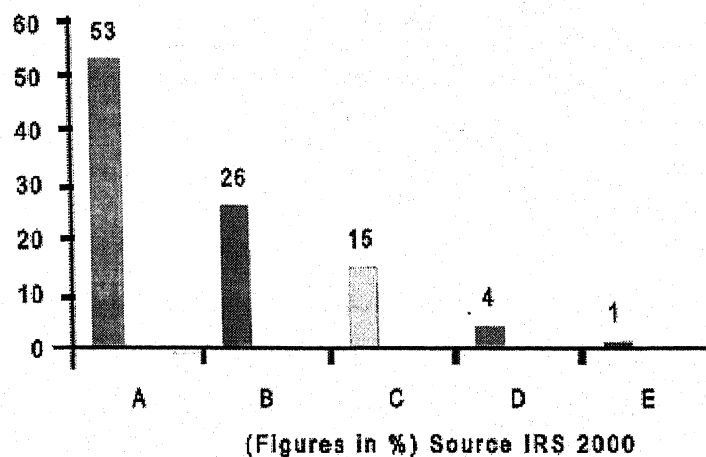
have multiple points of access that are largely from work place and home. Traditionally, there was only two media vying for the consumer's time - T.V & Print. Today, the Internet has also come in and the pie is now divided between the three media, and the Internet is fast catching up.

### INTERNET EXPOSURE BY AGE



Internet exposure by age shows that 75% of all adults, who accessed the Internet are in the age group of 15 - 34 years

### INTERNET EXPOSURE BY SEC

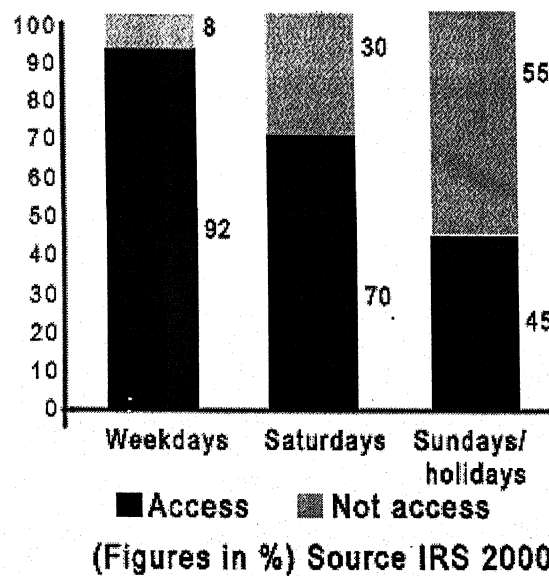


Net exposure by SEC shows that at least 79% of all adults who accessed the Internet are in SEC A and B.

## WHAT IS THE USAGE PATTERN?

While 45% (all India) were found to access the Internet on Sundays and holidays, the figure rose to 92% during weekdays. On Saturdays the figure is 70%. Over 35% accessed the Internet from the work place, 32% from place of study and 8% from home.

Industry predictions suggest that home market is likely to dominate the Internet's future in India. An IMRB study states that 97% of the users have accessed the Net out of home, at school, college, at work or a cyber cafe. According to Nasscom - Aug 2000, there are 1.6 million homes in India with Internet connections and on average at least 3 people use one system.



## WIRELESS INTERNET – FUELLING THE NEXT WAVE

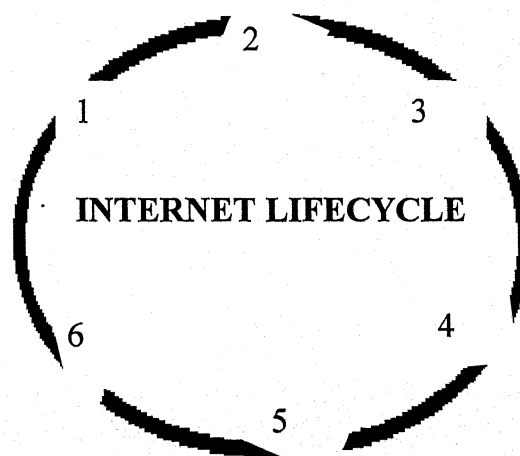
Whether it is DoCoMo in Japan or the WAP forum in Europe everybody is looking at wireless Internet with great curiosity. The technology will redefine the way in which business is conducted. Access has driven the development of wide-ranging Internet applications which are ever-more integrated into our personal and professional lives. Demand for anywhere, anytime access is about to explode. Now the battle begins for the next generation of internet – the wireless internet. The seminar will focus on wide-ranging issues like

- Routes available to integrate content, cellular operator and the ISP.
- Future challenges facing the wireless technology
- M-commerce as the new commerce mantra
- In the wireless world who owns the customer
- Is 'Always On' the panacea of all net problems
- Can security issues be tackled in the new world order

## THE INTERNET LIFECYCLE

The Internet Lifecycle is divided into 6 phases:

- 1)IBA (Internet Business Analysis)
- 2)Functional Design
- 3)Build
- 4)Test
- 5)Launch
- 6)Manage Results



In order to ensure the highest level of value for its clients, WSI utilizes an Internet solutions delivery framework referred to as the Internet Solutions Lifecycle. The Internet Solutions Lifecycle represents such a breakthrough in terms of the web development industry that the system is now patent-pending.

As an example, let's look at the first component of the Lifecycle, the IBA. WSI uses a unique methodology to identify the needs and opportunities facing each company. The IBA consists of dozens of specific questions that are designed to identify such things as the client's competitive advantage, who their target market is, ways that their business systems can be streamlined over the web, ways in which the client can increase customer loyalty and retention etc. The IBA has been designed to identify how the client's success will be measured on the web, and to help the Business Partner lay out a specialized Internet business strategy that will get results for the client in the form of a measurable return on investment.

Each of the six phases of the Lifecycle have defined process flows, guidelines, templates, tools and forms utilized by the Internet Consultant to maximize client value. As engineered, the Lifecycle ensures that every client's site is developed and launched effectively to maximize site traffic, and to achieve the maximum Return-On-Investment for clients.

Vehicles within the traditional media and the resulting fragmentation of the audiences are making it increasingly more difficult to plan media buys. More and more time is taken up by identifying new media alternatives, examining the efficiencies in each manner of reaching the target audience. Due to this increased need for analytical skills and accountability, media planning has become an executive position where it once was clerical.

Anecdotaly - Recently, at a professional conference regarding the nature and future of the advertising industry, a number of clients and advertising agency representatives sat down and tried to figure out how to proceed in the very confusing environment of media proliferation and agency reengineering. The clients kept saying "we need you to lead us through this very confusing mine-field of media opportunities and give us direction so we know what to invest in for the future". The agency people seemed incapable of responding with anything other than "you need to tell us what you want and then we'll invest the time and money to see how you should do it." Both wanted the other to be the risk-taking guide. It seems that one of the important questions is who's responsibility is it to understand how to use the new media strategically.

The "new media" represent, then, the future for advertising agency media people. And they represent a challenge to academic programs in advertising education. Students will need to be pointed in the direction of new application of existing media planning concepts in advertising. They will need to understand how these concepts fit into the new environment. They<sup>14</sup> will need to be involved in developing new ideas about definitions, concepts, measurements and implementations in advertising media. But one thing is

clear-the "new media" represent opportunities for growth of advertising rather than its demise if advertising history is any indicator at all of the future. Understanding advertising's role in the development of the media system of today is key to understanding the development of that media system tomorrow.

## **INDIA & THE INTERNET**

The Internet revolution seems to be in full swing, but is India really plugged into the global community it represents? Maybe yes, maybe no.

As the Internet spins a web of interconnectivity around the globe, as it grows literally by the hour, India is struggling, not to catch up but to keep from falling further and further behind.

Inside India, things do seem to be improving. Five years ago there was limited Internet access but only in a few major cities, all in the hands of the government. VSNL, the agency responsible for Internet activities, and the DOT (Department of Telecommunications) provided an agonizingly erratic connectivity, with miserly bandwidth and far too few phone lines. Connection rates ran as low as 5% (for every 20 dialups you might get connected once) and users were frequently cut off. And the rates for this pathetic level of service were among the highest in the world. Domestic users paid about \$2 per hour, and lease lines, for the few companies that could afford them, ranged over \$2000 per month for a 64 Kpbs line. By the end of 1998, after three years of government monopoly, there were barely 150,000 Internet connections in India.

Today (midyear 2000) the government monopoly is largely over. Dozens of small to large Internet Service Providers have set up shop, triggering a price war and an improvement of service. Users are now estimated at over 2 million, with a growth predicted to reach 50 million in the next five years. Small Internet kiosks have set up even in small towns, and the governments, both

State and Central are pushing for growth in the Internet sector. Internet is the new buzzword. The many small tutorial colleges that pushed computer software courses of variable quality are now in a hardsell scramble to push Net related content. The Internet represents the new wealth frontier for the middle classes - a good salary and a clean job, and for a few, the chance to go abroad. There has been a great increase in Indian content on the Internet. Many net entrepreneurs have been quick to realize the huge potential of the global market. Initially, most sites targeted the global Diaspora of Overseas Indians who had more access to the Internet, not to mention the credit cards that drive Net commerce. But there is a growing realization that the Net can reach the large and wealthy Indian Middle class. This group is rapidly plugging into the Net (still out of range for most people here) and there is increased use of credit cards.

Additionally, Business to Business (B2B) transactions are on the increase though there is no accurate estimate of the current or projected volumes. For Indian businesses interested in an overseas market the Net provides an efficient medium of communications - a factor that has retarded a great deal of trade in the past. Email and web sites are available 24 hours a day. And for the large and growing software industry, the Internet offers the ability to reach a client, respond to problems on a real time basis, and transfer products instantly with the click of a mouse. India exports billions of dollars of software annually, and the industry is growing rapidly. The Internet represents so much potential for India, and the demand for efficient Internet infrastructure is growing rapidly. This is where India has been failing. The demand has not yet been met efficiently and this represents an enormous barrier to business and societal development.

Even the government, which has monopolized infrastructure development until recently, has recognized it must not hold back this development. They have opened the industry to private entrants and promised support. In practice,

though, the vast bureaucracies that implement (theoretically) the government programs have moved sluggishly and ineffectively. For instance, the private ISPs that were allowed were initially required to acquire their bandwidth from VSNL which wanted a country wide monopoly on this lucrative sector. The result, new users signing up competed for increasingly limited bandwidth. Now the ISPs have been allowed to establish their own gateways but the effect has not yet been felt extensively. The DOT, responsible for providing phone lines to ISPs lagged way behind and the new providers are often left with far too few lines to service the increased demand. Lease lines are reduced, though still very expensive - approximately \$1000 per month for a 64 Kpbs line.

Some cities in India have developed more efficiently than others. Reports suggest that Bangalore and Madras currently offer better bandwidth. Of course, this is all relative to the pathetic service people were forced to put up with in the past. Hyderabad, where the INDAX offices are located, is trying to promote a cyber savvy image, but the reality is still very poor. We cannot justify a lease line (though reports are that prices are due to drop significantly soon), but rely on a dial up connection that only really works well in the early hours of the morning or late at night. It is not unusual to be unable to get a productive connection for hours at a time during the day, even though we use four or more ISPs. And this poor connectivity still costs us hundreds of dollars a month. Needless to say, the frustration is acute. Not to mention loss of productivity. Our experience, multiplied by that of millions of other small business across the country, amounts to billions of dollars of lost potential business each year. This is a horrific waste.

Looking at India from a global perspective, it is difficult to see how India can actually catch up. Advances in technology, connectivity, and usage of the net are increasing so rapidly that even in developed countries it is hard to keep up. At present, the percentage of Indians connected to the Net is less than a fraction

of one percent. Even if it soars to 50 million over the next five years, as predicted, that represents at most 5% of the population.

And how can this amount of growth occur over the next five years when the infrastructure of both the Internet and the telephone network is already far behind current demand? In developed countries, telephone networks had basically reached saturation when the Internet arrived. The problem was primarily to provide the increased bandwidth and line usage the Net demands. In India the telephone network is antiquated, overextended and only reaches a fraction of the population which is interested in getting a phone. Internet demand is straining the telephone system further.

Private ISPs have entered the arena, and though they were initially stymied by both uncooperative government agencies and by lack of existing infrastructure, there is some promise here. There are also experiments with wireless and cable connections, but even here an antiquated infrastructure and government obstructionism are problems. Businesses are relying more and more on aspects of the Internet. Email, for instance, is a huge asset to companies. And more and more companies are entering into web related business activities, like web site creation, software development, and various service oriented businesses that utilize the Net, like medical transcription or data processing for overseas companies.

In any event, it seems likely that in the future those that can pay for it will have adequate access to the great global community. As in even developed countries, those that can't pay for it, or lack the skills to use it, will be left behind. Unfortunately in India, this disadvantaged group will still be the majority well into the current century. Until the country can mobilize the resources, the education, and the infrastructure to provide a much larger section of its population both the means and the reason to access the Internet, India will not truly join the global community.

## Chapter – 3

# Research Methodology

### RESEARCH METHODOLOGY IS ...

*"A systematic investigation and study of materials sources, etc, in order to establish facts and reach conclusion."*

- Research Objectives
  - Methodology
    - Measuring Branding Online
    - Online Copy Tests
    - In Market Measures
  - Internet Advertising Effects
  - Research Design
  - Sampling Procedure
    - Survey Content
  - Technique of Data Collection
  - Demographic Exposure to Internet Advertising
  - Result
-

## RESEARCH OBJECTIVES

The objectives of the present research are to address three questions

1. What are consumers attitude towards Internet Advertising
2. How does this compare to demographically similar samples perceptions of advertising in general?
3. Which dimensions underlie and to what degree do they contribute to Internet Advertising attitudes?

## METHODOLOGY

### MEASURING BRANDING ONLINE

All of the methodologies we have reviewed are the result of demand for accountability in advertising expenditures. Over time, these research tactics have become standard in measuring the branding impact of offline advertising. As Internet advertising is also under the scrutiny of accountability, it is important for online advertisers to understand how their online efforts are impacting measures of brand equity.

### ONLINE COPY TESTS

It is possible to replicate a **copy-test** methodology on the Internet. In this practice, users are recruited from a site or database and asked to take a brief survey. Users are randomly assigned to either a control group or an exposed group. Exposed group respondents see a page with a client's banner on it while control group respondents see an alternative ad. The user then answers some questions about the test brand and differences between exposed and control groups are measured and attributed to the ad exposure. Millward Brown Interactive is largely credited for bringing the copy-test approach online and showing that online advertising is effective regardless of click-through (Briggs and Hollis, 1997). This service helps online advertisers reduce the risk

that banners in their campaign will have no effect. Dynamic Logic's online copy test product is called **AdIndex Lab.** (*ie Product offered by Dynamic Logic designed to let advertisers pre-test their online creative to reduce the risk that their ads will have no effect*)

Internet advertising based on the premise that, as in traditional advertising, the effectiveness of online advertising is based on a consumer's ability to recall an ad and absorb and decode a message before behavior and attitudes can change. The Internet Advertising Consumer Model sheds some light on the value of different advertising formats, sponsorships, and broadband advertising (Flores, 2000). All findings are based on online copy tests.

**Online Copy Test:** Test/Control based methodology designed to measure the branding potential of an online ad. Requires respondents to view a Web page with either a client's banner (exposed) or an unrelated banner (control). Scores on branding metrics are calculated for each group and differences are attributed to the ad.

Larger ad units are more noticed and communicate more however, if ads are too disruptive to the consumer experience (slow download), the consumer may take away a negative perception of the ad, brand, or even site itself. Online sponsorships can positively impact advertising awareness of a brand. Rich media increases an ads ability to be recalled but does not impact ad likeability.

Like the Politz print effectiveness findings, there is always the possibility of a bias in any research conducted in a controlled environment. Because of this fear, the industry has pushed for in market tests to measure the branding effectiveness of online advertising (recognizing of course that online copy tests remain an important tool for pre-testing a campaign's effectiveness).

## IN MARKET MEASURES

There are certain challenges faced in the online world in terms of measuring advertising impact on brand equity when the ads are in-market. Unlike television or print advertising, Internet advertising is served dynamically so that two people visiting the same site may never see the same ads. Because of this, recruiting people who were exposed to a specific ad is a challenge. While ad exposures can be tracked by third-party ad serving databases; most ad servers do not have the ability to link exposure information to the survey data information required to derive brand equity measures. Marketers can modify a **tracking study** to measure the impact of an online campaign as it is running in market. Like the offline version, online tracking studies recruit respondents in waves, often from the same sites the ads are running on. Surveying typically happens before a campaign is launched and then again in subsequent waves after the campaign has launched. While recruiting and interviewing are conducted online, oftentimes exposure information cannot be linked to survey data. As a result, it is **Online Tracking Study:** (*Measures branding in waves using the Internet for recruitment and survey hosting. Does not allow advertisers to link exposure to attitudes*).

**AdIndex;** (*In market measurement of online advertising performance on branding variables. Isolates online advertising's impact on brand equity metrics and can be repeated over time for more longitudinal measures. AdIndex also allows advertisers to understand how frequency and site selection impacts branding.*)

AdIndex measures consumer perceptions and attitudes toward an advertiser's brand by capturing consumer opinions through an online survey while the online campaign is running in market. To isolate the impact of advertising exposure on consumer attitudes, two groups of online consumers are sampled at the same time from the same Web sites on which a test campaign is running. As the only difference between the groups is the presence of the advertising,

any attitudinal differences between the two groups can be attributed to the exposure to the specific online ad campaign. AdIndex captures frequency data so that advertisers can understand how varying levels of exposure to advertising impacts branding. Furthermore, AdIndex works with any ad-server and can measure a campaign's performance across multiple sites so that advertisers can understand how the different media properties on a buy impact branding.

**Frequency:** *(The number of times a consumer is exposed to an advertisement or message).*

**Aided Awareness:** Aided awareness refers to the percentage of respondents who indicated that they are aware of an advertiser. The results vary by frequency level - the more times a person saw the banners, the greater the impact in awareness lift. Among those people who were exposed to the banners four or more times, the lift in awareness of Travelocity was. While Travelocity's overall goal is to sell seats, the company recognizes that there is a way to measure how successful its online advertising is beyond counting sales. By quantifying a significant lift in brand awareness, Logic was able to quantify that more consumers may place Travelocity in their consideration set when they need to make travel arrangements in the future.

## INTERNET ADVERTISING EFFECTS:

Measuring the communication effect of an ad Copy testing is made before Broadcasting. There are three major methods of IA pretesting.

1. Direct rating – In this method exposes a consumer panel to alternative ads and ask them to rate the ads these direct rating indicate how well the ads get attention and how they affect consumer. Although this is an imperfect measure of an ad's actual impact, a high rating indicates a potentially more effective ad. The various ads are being tested through this method.

2. Portfolio tests - In this method the consumer view and listen to a portfolio of advertisement taking as much time as they need. They then are asked to recall all the ads and their content, aided or unaided by the interviewer. Their recall level indicates the ability of an ad to stand out and its message to be understood and remembered.
3. Laboratory tests - In this test some equipment are used to measure consumers physiological reaction to an ad - heartbeat, blood pressure, pupil dilation, perspiration. These test measure an ad's attention -getting power, but reveal little about its impact on beliefs attitudes or intentions. This test is highly sensitive and the measurement made on this basis are prove to be effective one on IA this is more effective.

## RESEARCH DESIGN

The present research is based on the exploratory, descriptive and diagnostic design. Accordingly, at the planning stage, specific objectives were set to provide the basis of enquiry.

1. To collect general information about the Internet user.
2. Internet user interest towards internet advertising .
3. Performance on the basis of degree they use IA.

In the light of these objectives, the scope of the research was delimited and techniques of investigation to be adopted, tools to be used and pattern of statistical analysis to be followed were decided. Further, the scheme of presentation of the study was developed. The study was then conducted in the light of the set objectives and under the framework of approved outline.

## SAMPLING PROCEDURE

This study is based on two stages sampling. At the first stage, all places with a population of above 1000 were selected from the country and abroad. Initially, the person who is using the is in the sample of study. The criteria of selection being (a) Internet user character, (b) education qualification (c) no such study were conducted during the past decade in India Prospective respondents were screened for age and for media usage. Only those between the ages of 18 and 64 were surveyed. The samples were screened for their Internet access and usage. Prospective respondents in Sample 1 ( $N = 201$ ) were included if they indicated that they personally had access to and used the Internet or World Wide Web. In order to assure a substantial representation of regular Internet users, prospective respondents in Sample 2 ( $N = 201$ ) were included only if they further indicated that they frequently or regularly used the Internet or web. Because there were no significant differences between the two samples in terms of how often they look at IA, how often they have used the computer in the week prior to the survey and whether they subscribe to an online service all  $t$ s  $< 1.10$ , n.s.), the two samples were combined for all analyses ( $N = 402$ ).

While all respondents reported having access and using the Internet, prospective respondents were not screened based on reported exposure to Internet ads. Thus, some survey respondents reported never looking at IA (12% of the sample).

## SURVEY CONTENT

Respondents were queried about their IA-related attitudes, their media exposure patterns, and their demographic classifications. The questions asked of the two samples were identical, with the exception that respondents in Sample 2, after being screened for their Internet usage, were asked two additional questions about which browsers and search engines they use.

The attitudinal questions were next, and were prefaced with a statement defining the types of advertising to which the questions referred. The statement read:

This is a survey of your thoughts and feelings about the advertisements you encounter every day. Many of these advertisements include ads you might see on the Internet or World Wide Web when you use a computer. Then we ask you about 'advertising' in this survey, we are only referring to what you see in these electronic ads on the Internet, and not to any other forms of advertising.

Following this statement were 23 attitudinal questions. The first asked respondents about their overall evaluation of IA. The rest asked for their views about:

- (1) The Awareness and enjoyment about IA,
- (2) The trustworthiness or usefulness of IA content,
- (3) IA effects on product prices and product value, and
- (4) The regulation of IA.

The items covered several of the evaluative dimensions addressed in previous research, and the content of many of these items was adapted from previously published surveys (see especially Bauer and Greyser, 1968). In an attempt to tap personal attitudes toward and confidence in IA, most of the attitudinal questions were worded to emphasize personal experiences with and reactions to IA. Thus, respondents were asked, for example, to consider how confident they generally feel using IA information to make a purchase decision, or how often they have felt misled by IA.

The 23 attitudinal questions began with a query about respondents overall IA attitude in a two-part question (asking whether they generally like or dislike IA, and then assessing the degree of liking/disliking). After this two-part question came a block of nine attitudinal questions which were in five-point Likert-type

format (strongly agree/disagree). The order of these nine items was randomized. The wording of six items was varied to be either favorable or unfavorable toward IA (e.g., "In general, I feel that I can [cannot] trust Internet advertising"). Respondents heard only one version of these items. From item to item the favorable/unfavorable versions were selected randomly. Analyses indicated that question version had only a slight effect on responses. Thus, responses on the dual-version items were collapsed after recoding in the direction of favorable attitudes toward IA.

## TECHNIQUE OF DATA COLLECTION

In order to ensure maximum objectivity in the study, a number of standard tools, as developed by different Indian and foreign experts of behavioral and social science, have been used with a care that they may suit the local conditions. In certain cases the given tools are briefly outlined.

### 1. Time spend on Internet

The various scale used elsewhere were examined and modified to suit our need. The scale of time used by Internet user shows the effect they go through advertising

### 2. Rating the Ad

In this case the rating giving by the Internet user has it significant in analyzing the result

### 3. Statistical Analysis

The data collected was sorted out for its suitability to statistical analysis. The computed data was statistically analysed using Micro Stat, SPSS, Excel, C computer package in most of the cases.

### 4. Conceptual framework

The following definitions are provided for terms and concepts use in the study .

with a view to fix and delimit their connotations.

**i. Adoption:**

The decision and implementation of the decision to extend the use of innovation in time and space, Operationally, adoption is the extended use of the innovation in the years following trial.

**ii. Adoption Process:**

The process through which an individual passes from first hearing about innovation to its final adoption.

**iii. Communication :**

The process of transmitting verbal stimuli by an individual to other individual in a face to face situation with a view to influence his behavior and received and accepted of these by him

**iv. Communicators**

Communicators are those individuals who perform less than average communication acts in relation to the adoption of an innovation at any stage of adoption. Operationally defined, communicators are individuals who perform less than. Six Communication act in the propagation of improved varieties. An individual who has not performed even a single communication act in relation to the manufacturing innovation is called non-communicator.

**v. Innovation:**

An idea perceived as 'new' by the individual is operationally defined as 'innovation' in an improved form of Internet user and their concern Department.

**vi. Socio-economic Status :**

The position that an individual or a family occupies in reference to the prevailing average standards of cultural possessions, effective income, material possessions, and participation in the group activity of the community is operationally defined socio-economic status which is measured by socio-economic status scale developed by researchers.

**vii. Cosmopolitan-Localiteness :**

Cosmopoliteness is the tendency of an individual to come in contact with

people outside his own community based on the belief that individuals' total needs cannot be satisfied within his own class/community. Localiteness is the tendency to limit his contacts within his own community based on the belief that all needs can be satisfied within the community *or* the industrial estate.

**viii. Venture Someness :**

It is defined as the formal propensity to take risk in bringing about changes in his traditional methods of manufacture through the trial of innovations recommended by Internet society.

**ix. Innovation Proneness:**

Innovation proneness is the degree to which an individual is to adopt new ideas relatively earlier than the other Internet users.

**5. Processing**

After the collection of data in the above manner, major part of the same had to be discarded, either because it was found incomplete in one form or the other or it was found of no use in our studies. The data found to be of use had to process by the use of computers.

**6. Tabulation**

After having processed the data so collected from primary and secondary sources, was sorted out and put according to our requirements. The data so sorted and arranged, and then tabulated in multi-columnar forms through computers.

**7. Interpretation**

Merely collection of data, its processing, storing and tabulation do not serve any useful purpose without critical comments and drawing some conclusions from the figures. Each table in the dissertation is followed by critical analysis; interpretation and conclusions drawn are highlighted in the thesis with sustained arguments.

## DEMOGRAPHIC EXPOSURE TO INTERNET ADVERTISING

### How often Look at Internet Advertising

		<i>Less Than</i>		<i>Several</i>		<i>Several</i>		
		<i>Once a</i>	<i>Once a</i>	<i>Times a</i>		<i>Times a</i>		
	<i>Never</i>	<i>Month</i>	<i>Month</i>	<i>Month</i>	<i>Once a Week</i>	<i>Week</i>	<i>Every Day</i>	<i>Total</i>
Gender								
Male	18 (37.5%)	7 (30.4%)	23 (41.8%)	14 (30%)	46 (62.2%)	63(67%)	45 (71.4%)	216 (54.4%)
Female	30 (62.5%)	16 (69.6%)	32 (58.2%)	26 (65%)	28 (39.8%)	31 (33%)	18 (28.6%)	181 (45.6%)
Age								
18-24	4 (8.3%)	5 (21.7%)	15(27.3%)	7(17.5%)	20 (27%)	19 (20.2%)	10 (16.1 %)	80 (20.2%)
25-34	10 (20.8%)	7 (30.4%)	16 (29.1 %)	18 (45%)	23 (31.1 %)	27 (28.7%)	20 (32.3%)	121 (30.6%)
35-44	14 (29.2%)	8 (34.8%)	11 (20%)	9 (22.5%)	14 (18.9%)	29 (30.9%)	19 (30.6%)	104 (26.3%)
45-54	11 (22.9%)	2 (8.7%)	6 (10.9%)	5 (12.5%)	14 (18.9%)	12 (12.8%)	10 (16.1 %)	60 (15.2%)
55-64	9 (18.8%)	1 (4.3%)	7 (12.7%)	1 (2.5%)	3 (4.1%)	7 (7.4%)	.3(4.8%)	31 (7.8%)
Education								
Less than high school	1 (2.2%)	1 (4.3%)	2 (3.6%)	0	1 (1.4%)	5 (5.3%)	1 (1.6%)	11 (2.8%)
High school	5 (10.9%)	2 (8.7%)	.11 (20%)	4 (10%)	9 (12.2%)	15 (16%)	7(11.1%)	53 (13.4%)
Some college	11 (23.9%)	6 (26.1 %)	9 (16.4%)	9 (22.5%)	26 (35.1 %)	26 (27.7%)	12 (19%)	99 (25.1 %)
College graduate	15 (32.6%)	5 (21.7%)	19 (34.5%)	17 (4.59"0)	20 (27%)	32 (34%)	23 (36.5%)	131 (33.2%)
Postgraduate	14 (30.4%)	9 (39.1 %)	14 (25.50/0-)	10 (25%)	18 (24.3%)	16(17%)	20 (31.7%)	101 (25.6%)
Income								
Less than Rs, 20,000	0	1 (4.5%)	2 (4.1 %)	3 (8.1%)	8 (12.5%)	2 (2.4%)	1 (1.8%)	17(4.9%)
Rs 20,000- Rs 50,000	1 (2.9%)	3 (13.6%)	6 (12.2%)	3 (8.1%)	6 (9.4%)	6 (7.3%)	4 (7.1%)	29 (8.4%)
Rs 50,000- Rs 100,000	9 (25.7%)	3 (13.6%)	9 (18.4%)	7 (18.9%)	10 (15.6%)	13 (15.9%)	8 (14.3%)	59 (17.1%)
Rs 1,00,000- Rs 5,00,000	7 (20.0%)	8 (36.4%)	8 (16.3%)	8 (21.6%)	11 (17.2%)	16 (19.5%)	8 (14.3%)	66 (19.1 %)
More than Rs 5,00,000	7 (20%)	1 (4.5%)	.3(6.1%)	2 (5.4%)	9 (14.1%)	8 (9.8%)	8 (14.3%)	38 (11 %)

## RESULT

Respondent overall impression of internet Advertising were assessed with the questionnaire, In general so you like or dislike Internet advertising. The result indicates that respondents are approximately equal divided in their perception of IA. That 38% liked IA, 35% dislike IA and 28% felt neutral towards it. Hence there is little consensus among those who have had at least some Internet Experience about evaluation of IA.

## Chapter – 4

# Budget Decision and study of IA Objectives and their analysis and Findings

### BUDGET IS ...

*"An estimate of income and expenses for a specified period."*

- Setting the Internet Advertising Budget
  - Stage in the product life cycle.
  - Market share.
  - Competition and clutter.
  - Advertising frequency.
  - Product differentiation.
- How much does it Cost to Advertise on the Web
- Pricing Models
- CPM (Cost Per Thousand)

## SETTING THE INTERNET ADVERTISING BUDGET

After determining its Internet advertising objectives, the company next sets its *IA budget* for each product. The role of advertising is to affect demand for a product. The company wants to spend the amount needed to achieve the sales goal. Some commonly used methods for setting the advertising budget are discussed. Here we describe some specific factors that should be considered when setting the advertising budget:

***Stage in the product life cycle.*** New products typically need large advertising budgets to build awareness and to gain consumer trial. Mature brands usually require lower budgets as a ratio to sales.

***Market share.*** High-market-share brands usually need more advertising spending as a percent of sales than low-share brands. Building the market or taking share from competitors requires larger advertising spending than simply maintaining current share.

***Competition and clutter.*** In a market with many competitors and high advertising spending, a brand must advertise more heavily to be heard above the noise in the market.

***Advertising frequency.*** When many repetitions are needed to present the brand's message to consumers, the advertising budget must be larger.

***Product differentiation.*** A brand that closely resembles other brands in its product class (beer, soft drinks, laundry detergents) requires heavy advertising to set it apart. When the product differs greatly from competitors, advertising can be used to point out the differences to consumers.

Setting the advertising budget is no easy task. How does a company know if it is spending the right amount? Some critics charge that large consumer packaged-goods firms tend to spend too much on advertising and industrial companies generally underspend on advertising. They claim that, on the one hand, the large consumer companies use lots of image advertising without really knowing its effects. They overspend as a form of "insurance" against not spending enough. On the other hand, industrial advertisers tend to rely too

heavily on their sales forces to bring in orders. They underestimate the power of company and product image in preselling industrial customers. Thus, they do not spend enough on advertising to build customer awareness and knowledge.

How much impact does advertising really have on consumer buying and brand loyalty? A research study analyzing household purchases of frequently bought consumer products came up with the following surprising conclusion:

Advertising appears effective in increasing the volume purchased by loyal buyers but less effective in winning new buyers. For loyal buyers, high levels of exposure per week may be unproductive because of a leveling off of ad effectiveness. Advertising appears unlikely to have some cumulative effect that leads to loyalty. Features, displays, and especially price have a stronger impact on response than does advertising.

These findings did not sit well with the advertising community, and several people attacked the study's data and methodology. They claimed that the study measured mostly short-run sales effects. Thus, it favored pricing and sales-promotion activities, which tend to have more immediate impact. In contrast, most advertising takes many months, or even years, to build strong brand positions and consumer loyalty. These long-run effects are difficult to measure. However, a more recent study of BehaviorScan data over a ten-year period found that advertising does produce long-term sales growth, even two years after a campaign ends. This debate underscores the fact that measuring the results of advertising spending remains a poorly understood subject.

## **HOW MUCH DOES IT COST TO ADVERTISE ON THE WEB**

There is no simple answer to the question. There is no simple answer to "How much will it cost me to run my [traditional] advertising campaign?" There are so many variables, it is impossible to give specifics.

We can give you some 1996 ballpark costs for the various steps that you will be going through to produce the site. The computer work involved in creating and storing your web page will be the least expensive part of the process. The creative time and talent to design the page along with promotion and maintenance, on the other hand, could total more than 75 percent of the bill. Those publishing pages frequently Underestimate the program's total price tag, tending to overlook indirect expenses. Although you may be able to handle some of the tasks yourself, you will probably go elsewhere for much of the work, unless you're a real Internet "jack-of-all-trades."

The first step, research, helps you determine what your industry, competition, customer, and prospect presence is on the Internet. Research may even uncover sites put up by enterprising employees or members that unofficially represent your company or organization. Research will cost you, Rs 3600-4800 per hour. When you know what others are doing, you are in a position to begin thinking through what you can and should do on your site. With your research in hand, it is a good time to bring in an Internet consultant to discuss content and design. Figure on Rs 6000-8400 per hour for this advice.

Simultaneously to planning the content, you should register a URL or name for the site. Plan on spending Rs3600-Rs7200 for a name search and registration, when done on your behalf. The official registration fee is another Rs4800 plus an annual charge of Rs2400 to maintain it. You can register a name before a site is actually up and running.

When you have a content concept, you will be calling in a web-site designer, at Rs6000- Rs7200 per hour. The more elaborate your site (for example, audio, video, feedback mechanisms, site visit measurement tools, etc.), the more design time required. If you need some special copywriting assistance to make your 'on-line text read well, add fees of Rs 4800- Rs 6000 per hour for the copy preparation.

With a design and copy that satisfy you, contract with a computer programmer to interpret your material into the web language, HTML (hypertext markup language). Charges for HTML work are running Rs 3600- Rs 4800 per hour.

You're ready to store your page on a computer with a live link to the Internet. Storage rates are running at about Rs48 a kilobyte of storage space per month. Assume a minimum charge of Rs2400 per month for a single page. Multiple-page sites with a lot of graphics will hike the tab.

It's important to figure in maintenance expenses. Many of these could be indirect costs. You may require an in-house full- or part-time Webmaster to oversee the site activity. If you don't have someone in mind to handle the Webmaster work, you may have to go to a search firm to find the right person. Since you'll be revising your web page regularly, set aside some monies for additional HTML support. Also, don't forget promotional activities that would include listing your URL on the major indexing and search sites such Yahoo and Lycos. You will also want to remain on the lookout for other appropriate web-site links both to and from your site.

Then there are training and education. You want to help people With whom you're doing business learn how to use this new medium. That could include fellow employees, customers, members, and suppliers. Customized full-day workshops on using WWW and the Internet cost Rs 57600- Rs 72000.

Where do you go for any or all of these above services? Some web-site contractors offer all of these services under one roof. You may wish to serve as your own contractor and arrange with individual Providers to handle the various tasks. In either case, don't expect to find a listing of these skills in your local yellow pages. It's too new.

Back to our original question. "How much does it cost to advertise on the web?" I can't possibly give you a specific figure. Only ranges. Be warned, however, that the real cost of a good web site is not in its creation. It's in its maintenance-keeping it up-to-date and viable/or its users. .

## PRICING MODELS

Current pricing models are as varied as the ads themselves. As an industry, Web advertising is looking to other industries for role models; direct parallels cannot always be drawn, but in general, both a mass market and a direct marketing approach apply. The Internet can still be measured based on impression, just as Tv, radio, and print can, but many believe that the Internet is actually more applicable to direct marketing, where clicking on an online ad can be likened to opening a direct mail envelope.

## CPM

The most dominant pricing model, which has been briefly mentioned throughout this book, is cost per thousand, or CPM. CPM delineates the price charged for displaying an ad one thousand times. This is the unit of measure used in traditional advertising, which is why advertisers and agencies are comfortable with a CPM model.

The calculation to determine CPM is:

$$\text{Price} / (\text{number of impressions} / 1000)$$

For example, if a site charges Rs10,000 per banner and guarantees 500,000 impressions, the CPM is Rs20 (Rs10,000 divided by 500). But how do you determine the appropriate CPM for an online ad? Is it Rs1, Rs 10, Rs 30? Internet advertising CPMs range from Rs 1 all the way up to Rs 200. The price for Web advertising varies across sites, but, in general, similar types of sites are charging rates in the same general range. The types of sites we're going to cover in this chapter include search engines, content sites, online services, and ad networks.

Keep in mind that prices are constantly changing, so the figures you read here should be regarded only as "ballpark" for different sites. Figure 7.1 shows the average CPMs over time from AdKnowledge, a company that maintains a database of sites that accept advertising. As you can see from the chart, ad rates varied significantly during the time period covered by this chart. And, these are gross prices; usually, advertising agencies receive a 15 percent discount off gross prices, paying the net price. Publishers are constantly adjusting their rate cards, and prices also fluctuate depending on the number of impressions purchased and over what time period they are delivered. To look at some actual rate cards, refer to information in the accompanying Web site at [www.wiley.com/compbooks/zeff](http://www.wiley.com/compbooks/zeff).

## Chapter – 5

# Hypothesis

### **HYPOTHESIS IS ...**

*"A tentative explanation for an observation or phenomena that can be tested through experimentation."*

- Hypothesis
- Internet Advertising
- Research on the Effects of Internet Advertising
- How Internet Advertising Work
  - The impact of Banner
  - The effect of Click through
  - Does creative execution make a difference
  - Internet Vs. Other Media
- New Directions in Research on Internet Advertising
- Summary
- Result

**Hypothesis-** A hypothesis is a tentative generalization the validity of which remains to be tested. In its most elementary stage the hypothesis may be any hunch, guess, imagination, idea which becomes the basis for action or investigation. The various tentative explanation and suggestion formulate as propositions that is hypothesis. In Internet advertising the suggestion for various hunches are made that it is up coming media, users are developing day by day and they utilize advertising through Internet, which is the demand of high technology age.

### **Internet Advertising**

We distinguish between three broad kinds of advertising on the Web; they are:

- (1) placed ads (including banners, Rich Media ads, pop-ups, animated cursors);
- (2) sponsored elements within sites; and
- (3) company marketing sites. There is, of course, other online marketing activity on the Web. Company sales sites (similar to product catalogs with order forms) are one example. However, in our opinion, sales sites and sales banners should be considered in a direct marketing context rather than in an advertising context.

### **RESEARCH ON THE EFFECTS OF INTERNET ADVERTISING**

During the last three years, a large number of research projects have been conducted to explore the effectiveness of the different kinds of online advertising. We will review four kinds of studies in this field:

- (1) research on the impact of banners,
- (2) research assessing the effects of clickthrough (which includes studies on entire Web sites),
- (3) research comparing the effect of different executions (such as which kinds of banners work best), and
- (4) studies comparing the impact of Internet advertising with that of ads in other media.

## HOW INTERNET ADVERTISING WORKS.

### (1) The impact of banners.

The first study conducted on the subject was done on behalf of HotWired by Millward Brown Interactive in the fall of 1996 (Journal of Advertising Research). Prior to this study, it was widely held that banners were simply direct marketing enticements. This study demonstrated that advertising communication occurred even when users did not directly respond by clicking on the ad. The seminal study has been replicated a number of times. (See 1997 Electronic Telegraph/Ogilvy & Mather, or 1997 Internet Advertising Bureau (IAB) Online Advertising Effectiveness Study, for example). The same experimental design used in these studies has been extended to measure Interstitials (Berkeley Systems' You Don't Know Jack, the Netshow, 1997), sponsorships (Dockers Dream Jobs 1997, NBC 1997, Synapse Oldsmobile 1998, Intel 1998), Rich Media (InterVu 1998, Wired Digital 1998), and even the cursor space (Comet Cursor 1999). In each of these carefully controlled studies it has been demonstrated that online advertising can boost brand awareness, positive brand perceptions, and intent to purchase.

### (2) The effect of clickthrough.

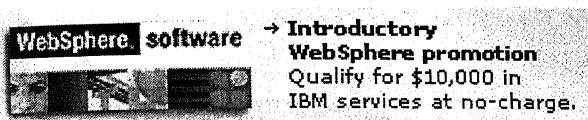
The first study of clickthrough simply measured what wear-out patterns merged due to time and frequency (DoubleClick, 1996). The Internet Advertising Bureau study, conducted by Millward Brown Interactive (1997, op.cit), delved deeper and measured attitudes toward a variety of brands among those Web users who were observed to click on an ad and those who did not. The research revealed that clickthrough was usually motivated by consumer believing that an immediate need should be satisfied at the moment they saw the ad by clicking on the banner. Because many categories do not have an impulse need, or cannot fill such a need online, clickthrough is not an effective predictor of advertising effect. This, apart from lack of interest in a product, appears to be an important reason why clickthrough is relatively rare. (AdMap 1998)

### (3) Does creative execution make a difference?

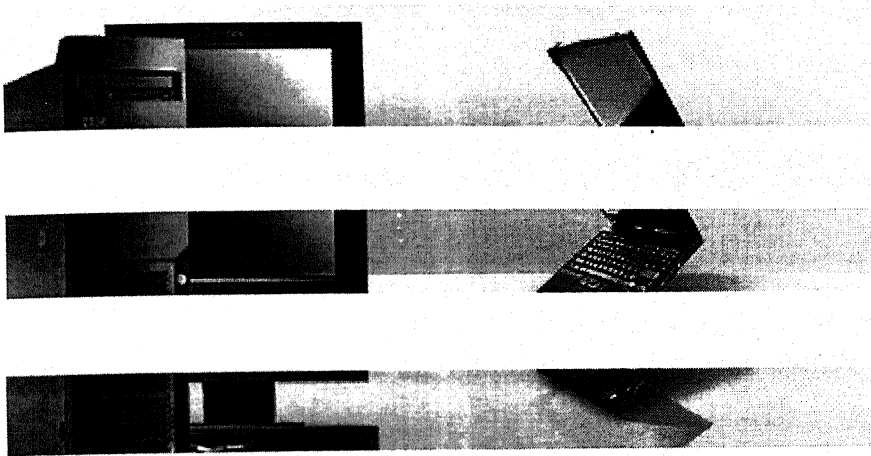
The first study on this subject was presented at the second Internet Advertising Summit in 1996. It was conducted for J Walter Thompson Specialist Communications by Millward Brown Interactive and it measured the effects of different creative execution of Job Opening ads. Since then, a number of well-designed studies have been done on this topic. For example, the IAB study (1997, op.cit.) reports an analysis by Scott McDonald on "What seems to be working."

The 1997 Electronic Telegraph/Ogilvy & Mather study compared four creative executions for two products and found different effects. Below are the two ads for IBM that were tested.

Ad A:



Ad B:



The two ads produced statistically significant differences in performance. The chart below shows the difference in brand-linked recall of the two IBM ads versus the control ad.

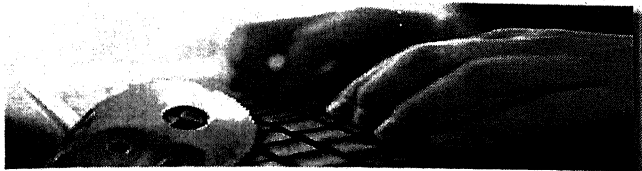
WebSphere. software → Introductory  
WebSphere promotion  
Qualify for \$10,000 in 60%

56%

control ad 48%

The results demonstrate that creative differences had an effect above and beyond differences in the media context and target audience, though these variables are also critically important to the success of the ad.

A more recent study conducted at Michigan State analyzed ad position on a page. The 1998 InterVu study (1998, op.cit) observed the BrandImpact of two nearly identical ad executions on the CBS Sportsline Web site, but one had the addition of a 1 x 1 inch streaming video of a TV ad.



The findings indicate that the addition of video was more effective than the animated ad banner alone.

#### (4) Internet vs. other media.

We found only two published studies that focus on this topic (Dreze and Zufryden, 1998; Bezjian-Avery et al., 1998). These authors emphasize the limitations of the Web as an advertising medium. However, they do not consider aspects that we will discuss in connection with other research later in this paper. Research Review: Internet Advertising Works As in all advertising, one should avoid simplistic general conclusions in the area of online

advertising. Target audience, creative execution, the specific purposes of a campaign, and the situation and needs of the brand are factors that make every advertisement and its impact unique cases. Having said that, we do think the research evidence suggests a number of general conclusions:

- The most important finding is, unquestionably, that Internet advertising works. The research has shown that Internet advertising can increase sales, enhance the image of the brand, affect the consumers' attitudes towards the product, and it can impact new information about products and brands. Needless to say, not all advertising in this new medium is effective - just as not all advertising in traditional media achieves the desired outcome
  - Further, the research establishes that clickthrough is not necessary for effects. In fact, since clickthrough is relatively rare, only a small portion of Web advertising effects can be attributed to clickthrough. The most important Internet advertising tool is the banner.
  - Reaching the right audience is key. Research suggests that online users are actively browsing for information. If the ad is not perceived as relevant to the consumer, he or she will pay little attention and the effect will be minimized. This is similar to print advertising, but in contrast to some TV advertising, which can be quite effective if the consumer perceives the ad to be entertaining.
  - Research on different executions indicates that, as in other media, creative execution plays a major role and can impact the effectiveness of a banner significantly. Finally, the one published study that compares Web advertising with ads in other media focuses on interactivity, that is, click through rather than simply exposure to banners.
- The authors of the study conclude that interactivity may not always be advantageous for advertising. However, as said, the other research demonstrates that inter-activity is a relatively small aspect of Web advertising. Clearly, more research is need-ed on the subject.

## NEW DIRECTIONS IN RESEARCH ON INTERNET ADVERTISING

One of the most remarkable aspects of the research on Internet advertising is the fact that practically all studies deal with the Internet in isolation, other media are ignored. In fact, the studies often control for outside forces through experimental design to enhance the accuracy of the measurement of the value of Online advertising. Given that this is a new medium that needs to establish itself as an advertising medium, this is quite understandable. But that does not mean research should continue in this manner. In fact, analysis of the data of a study on Ford banners in the 1997 Electronic Telegraph study sounded the wake up call for Millward Brown Interactive. In this study the BrandImpact of the following two ads for Ford were observed:

**Customers see this:**



**Customers see this:**



The BrandImpact of these ads were observed against a control among users accessing them Electronic Telegraph Web site. The ads worked - they increased consumers' perception that Ford is a safe car. This baffled the American analyst: How could this banner ad, which contained nothing but an odd picture and the Ford logo convince anyone that Ford is a safe car.

The research design was sound: Those users who happened to access the Electronic Telegraph during the course of the study were randomly sampled, assigned to control or test cells and delivered the ad (without any alteration to the Web site). After the user was exposed, an online survey asked them to answer a few questions. The results were clear - the ad boosted the perception that Ford is a safe car. Why?

What the American analyst from Millward Brown Interactive did not know was that Ford was running a heavy TV, print, and outdoor campaign that used the same creative found in the online banners. Those other ads contained additional messages about safety features including halogen head lamps (the first ad shown above) and air bags (the second ad). The online ads were reminding consumers of the messages they had seen and heard in other media. Not just reminding, but reinforcing the messages. When Millward Brown Interactive found these results, they dubbed the effect "surround-sound marketing." The online and offline ads were working synergistically.

This finding made it clear that it was time for Internet research to look beyond the computer screen and consider the role of the Web in conjunction with the other media.

The most compelling reason for broadening the scope of Internet advertising research is the usage of the medium by the consumer. Practically all users of the Internet are users of other media. Through Millward Brown Interactive's VOYAGER Web Panel, a nationally-representative panel of US Web users drawn purely through Random Digit Dial, we found that 90% report watching TV "yesterday," 88% listened to the radio "yesterday," 77% subscribe to a magazine, and 58% subscribe to a newspaper. In fact, most Web users report watching TV more hours than they use the Web.

Television networks have been aware of the fact that TV and Web usage are very compatible for some time and they have used television to build traffic to their Web sites. This was first documented in a paper by Coffey and Stipp (Journal of Advertising Research) and it is evident from the large amount of traffic to sites such as CNN.COM and MSNBC.COM. Proprietary research by NBC shows that network Web sites can enhance the image of the broadcaster and its programs and strengthen the fans' commitment to the shows and its sponsors.

Further, an analysis of the banners that were tested in the above-referenced IAB study also found evidence that many banners might work better in conjunction with ads in other media. We found that most of the successful banners in the 1997 IAB study (1997, opcit) had large campaigns in other media at the same time. These were banners for Delta Business Class, Volvo, and Schick razors. One big media spender, Mastercard, did not do as well. Delta and Volvo appeared to use consistent imagery across media, -- It is not apparent whether Mastercard and Schick campaigns were coordinated across media.) Are these findings sufficient to conclude that coordinate multi-media campaigns leveraging consistent imagery and include the Internet are likely to be more effective than Internet only campaigns? Or that campaigns in traditional media can work better if Web banners are added? Not quite. Though it is a good hypothesis. We need more research in this field, especially to identify the kinds of products and the circumstances under which multi-media campaigns will work better. On the other hand, we don't think we are sticking our necks out too far: There is thirty-year old research (which was corroborated about five years ago) which pro-vides empirical as well as theoretical support of our hypothesis (references). The concept is called "imagery transfer" and it is based on studies that found, for example, that radio ads using a TV soundtrack evoked images of the commercials among listeners who had seen the TV commercial. We are suggesting that similar processes can work (and are working) online.

## SUMMARY

We believe that the findings from the first studies on the impact of Internet advertising in the context of multi-media campaign interactions should be high on the agenda for future research efforts in this field. Since we assume that the Internet will not replace traditional media (like television and radio), it means that there will be advertising in a variety of media. How the growing new medium, the Internet, fits into the media mix, is a most urgent issue for all advertisers.

If it is true that many products and companies could benefit from coordinating their TV, print, and Internet advertising, this research would provide extremely valuable information that would have a positive impact not only advertisers, but also on the health of the new and the traditional media.

## RESULT

Respondent overall impression of internet Advertising were assessed with the questionnaire, In general so you like or dislike Internet advertising. The result indicates that respondents are approximately equal divided in their perception of IA. That 38% liked IA, 35% dislike IA and 28% felt neutral towards it. Hence there is little consensus among those who have had at least some Internet Experience about evaluation of IA.

## Chapter – 6

# Message and Design

### MESSAGE AND DESIGN IS ...

*"A exalted and Spiritual Communication with Art of producing them."*

- The Online Advertising Advantage
- Online Ad Models
- Message and Design
- Online Copy Tests
- In Market Measures
- Internet Advertising Effects:

## THE ONLINE ADVERTISING ADVANTAGE

For a long time Internet advertisers dreamed of delivering the right ad to the right person at the right time. In the early days of online advertising, the realization of this dream was touted as the true promise and potential of the industry. What was once just promise is now a reality. Various strategies are now readily available to capture the demographics, tastes, and preferences of users to better target content and advertising. In a broadcast television campaign, advertisers can target by geographic location, time of day, and the audience watching a particular show. With a direct mail campaign, marketers can target as finely as Fortune 500 employees who have attended safety and health conferences. Internet advertising can offer an advertiser all the targeting capabilities of other media plus a lot more. Indeed, on the Internet an advertiser can finally target every ad so that it goes out to just the right prospective customer at precisely the right time.

Advertisers use targeting to ensure the efficiency of their campaigns. Online publishers have a variety of targeting options to offer their advertisers from Content, Domain, Database, Self Reported Preference, Actual Behavior. In fact, online targeting moves up a continuum from the most basic means of reaching a customer up to extremely technologically sophisticated methods of learning about customers. The continuum starts with ad placement based on content and context. Next comes targeting gleaned from information received from the users themselves through site registration systems. Then there is targeting based on information available through Web measurement and ad serving tools. Targeting also occurs through database mining, collaborative filtering, behavioral analysis, and personalization tools. Today, these advanced tools are readily available and remarkably accurate. Advertisers are taking advantage of these targeting options to increase the effectiveness of their online ad campaigns.

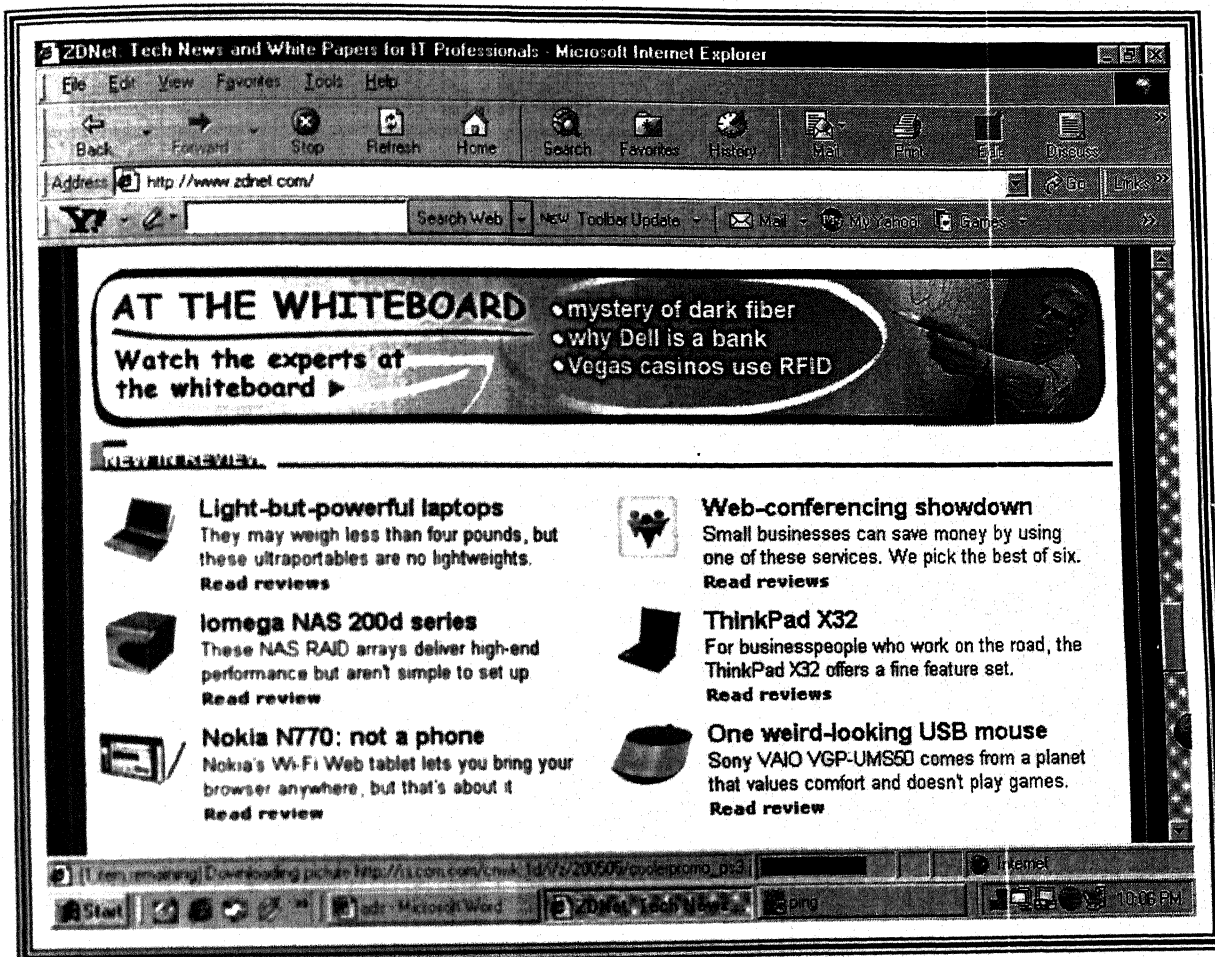
The industry's intense interest in targeting rests on its benefits. First, targeting eliminates wasted impressions by only delivering ads to interested persons or those in the right target audience. Second an ad is not considered a nuisance when it is information a person wants. Targeting ad to the right people increases interest and response. The Important factor in on line ad is message and design decision.

## ONLINE AD MODELS

### Message and Design

The first form of web advertising is web site itself, Advertising via E-mail, Banner Ads, Rich media Banner, Buttons, Text links, Interstitials, Movie clips and Animations, Cryptic messages message, keyword search etc. While designing these ads message and design play an important Role.

#### 1. Web Site Advertising



Zednet Internet Resource.

## 2. E-mail Advertising

Date: 15, May, 2005 16:47:32+0530  
From: [tata\\_aig@indiatimes.com](mailto:tata_aig@indiatimes.com)  
To: [ddhusia@indiatimes.com](mailto:ddhusia@indiatimes.com)  
Subject : Retry rich-Paln now!

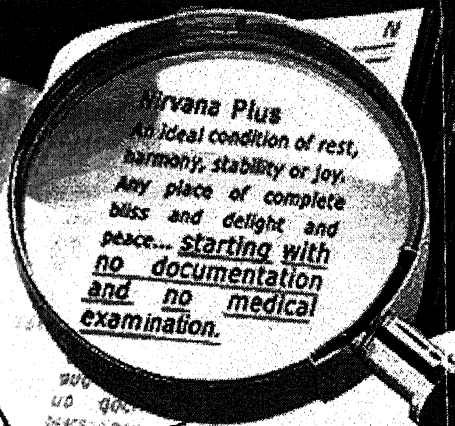
**TATA  
AIG  
LIFE**

A new look at life

Pay Rs.  
per month.

Retire  
Rs. **richer.**

- ✓ 10% Guaranteed additions every 5 years
- ✓ Guaranteed critical illness cover
- ✓ Guaranteed double accidental death cover
- ✓ Guaranteed life cover
- ✓ Guaranteed no medical test



***Nirvana Plus***  
**Retirement Policy**

Get special bonus of 2% of Sum Assured

Start at age 20 and get 80% guaranteed additions when you retire at age 60.\*

### Tata Retirement policy

On Internet first thing that user do is check mail that is why E- mail Advertising widely used Internet Application.

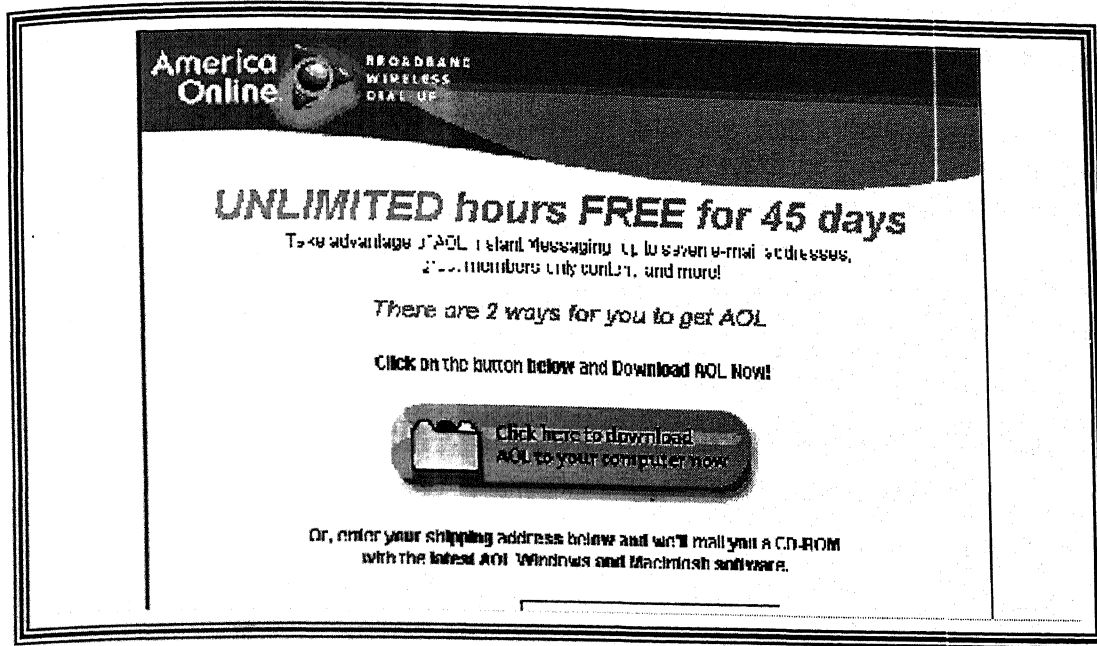
## 1. Banner Advertising

A rectangular banner advertisement. On the left, there is a small image of a Tata Indicom Smart PCO. The text in the center reads 'make a smart choice and make some great money!'. Below this, there is a large image of a landscape with a mountain and a body of water. At the bottom, there are two buttons: 'Home Coverage Packages Circle Addresses' and 'Want to Partner Us'.

### Tata Indicom Smart PCO

Banner ads are hose rectangular graphic located on Web pages

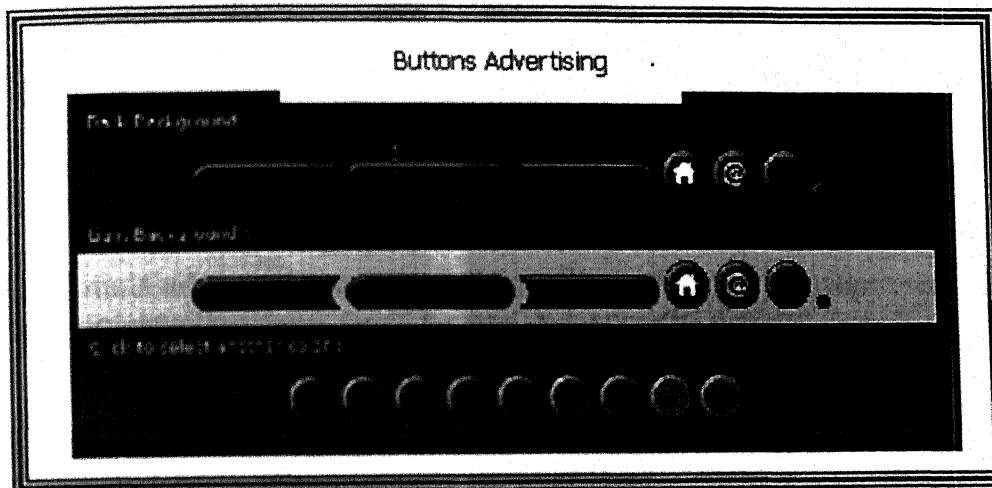
## 2. Rich Media Banners



America on Line ad

Rich Media Banners is considered higher bandwidth advertising that deliver more of a brand impact than a GIF- animated banner advertising.

## 3. Buttons Advertising



Button Design side

Buttons Ads are those Small banner- types advertising that can be placed anywhere on a page and are linked to the button sponsor.

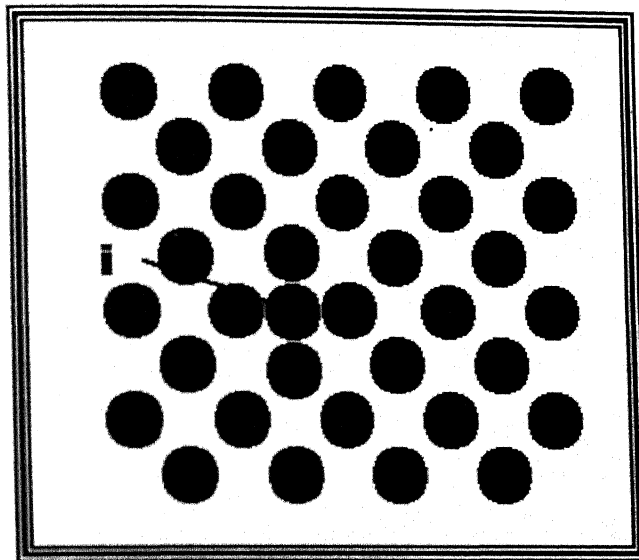
#### 4. Text link Advertising

The 1970s also saw the development of mailing lists, newsgroups and bulletin-board systems, and the TCP/IP communications protocols, which were adopted as standard protocols for ARPANET in 1982-83, leading to the widespread use of the term Internet.

Britannica encyclopedia

Text Link ads are some of the least intrusive, yet most effective advertisement.

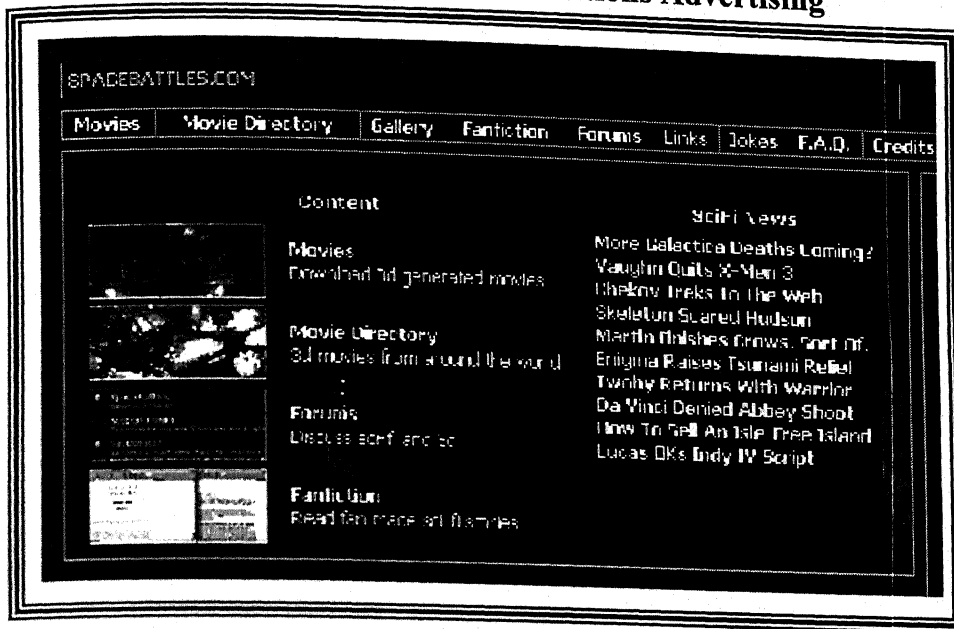
#### 5. Interstitials Advertising



##### Matwis Interstitials

Interstitials ads are those who pop onto the screen and interrupt users. They are some times called "pop-ups," "intermercials" or "e-mercials"

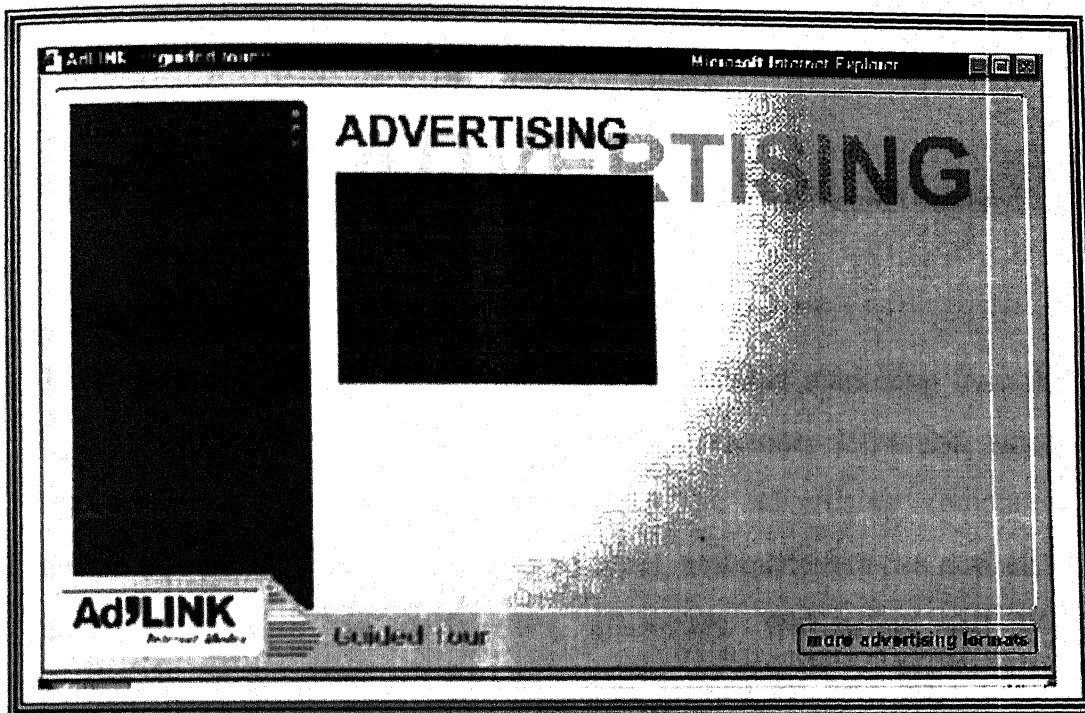
## 6. Movie clips and Animations Advertising



Space battles side

Movie clips and Animations Advertising are highly attractive because it contain audio video effects.

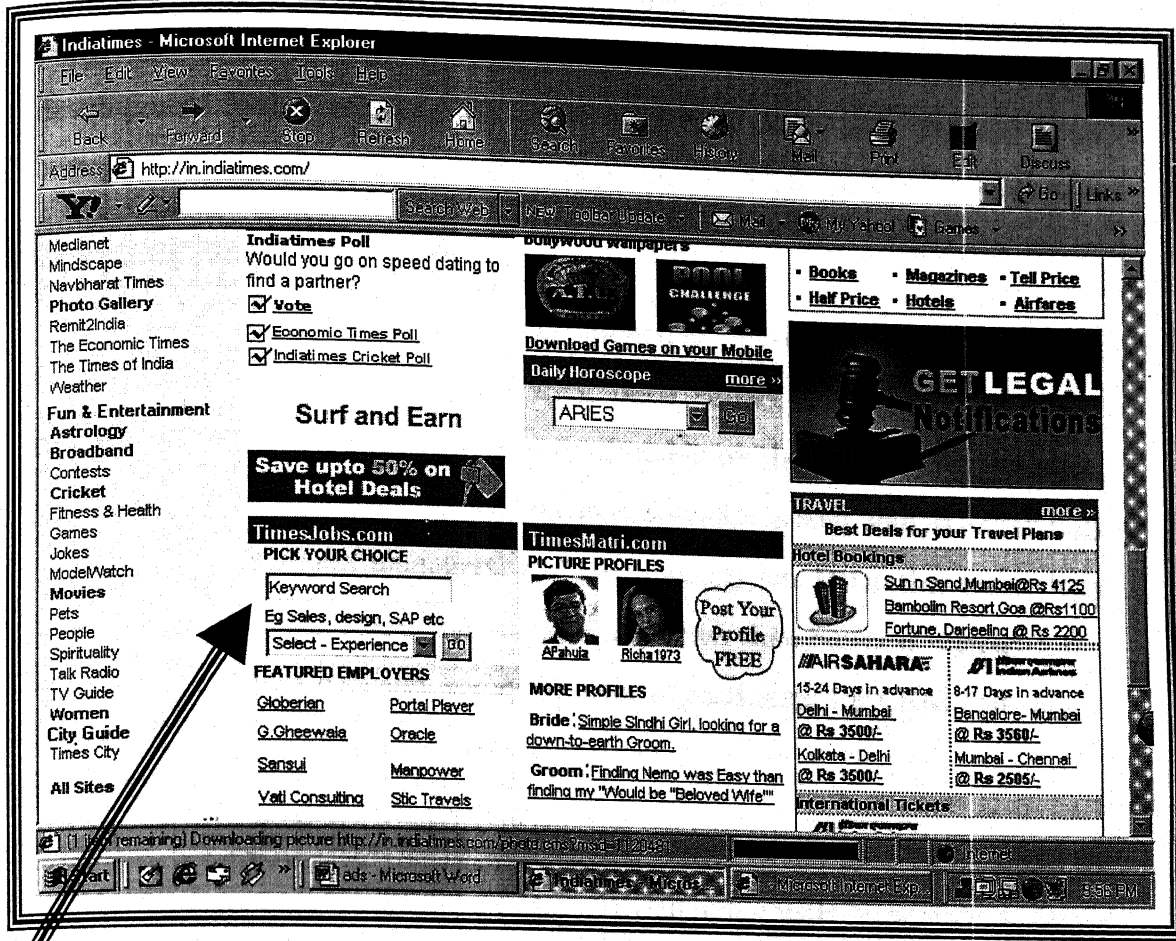
## 7. Cryptic Messages Message Advertising



AdLink side

These ads are obscure in meaning and are effective because force to think over it.

## 8. Keyword Search Advertising



Indiatimes web portal

The key search ads are also effective because they make search targeted.

### Technology marketing

Technology companies have been leaders in Internet marketing from the very beginning. The first banner ads appeared in October 1994 and, since then, Internet marketing has grown up fast. The advertising component has diversified into a dizzying array of ad types, and marketers can now also reach customers online via newsletters, microsites, Webcasting and Weblogs. Equally important, these marketers have learned the best ways to use their online marketing campaigns to complement and strengthen their offline marketing efforts.

*BtoB* interviewed executives with six technology companies. Four of them are established players: Dell Computer Corp., IBM Corp., Oracle Corp. and EMC Corp. One is a midsize adolescent company, Macromedia Inc., which makes development tools, including the online animation tool, Flash. The last is an emerging company, Groove Networks Inc., which makes peer-to-peer collaboration software.

The executives agreed that online marketing must be coordinated with traditional marketing efforts, including trade shows, advertising and direct mail. Not every customer is entirely comfortable on the Internet. For instance, Oracle's customer relationship management software is sold both to technology managers and business managers, and the company has found that technology managers respond to online marketing much better than business managers do, according to Kevin Rickson, senior director of marketing for CRM software at Oracle.

Business managers need more of a human touch, he noted. Oracle might be successful driving technology managers to visit a microsite by sending a direct-mail postcard that warns, "You're falling behind!" But the company has found that business managers want images of people at work, with a promise of how Oracle products can help improve the business' value.

Online advertising can be useful for building brand awareness and for driving demand for particular products, said Eric Siebert, director of worldwide interactive marketing communications at IBM.

## Chapter – 7

# Analysis & Findings

### ADVERTISING IS ...

*"Detailed examination of elements and structure with conclusion reach by an enquiry."*

- Internet Advertising Formats and Effectiveness
- Conceptualization of Internet Advertising Effectiveness
- Objectives and Effectiveness
- Criteria of effectiveness
- Criteria and interactivity
- Criteria and control ownership
- Formats and effectiveness of internet advertising
- Banner ads
- Sponsorship
- Interstitials
- Rich media
- Keyword search
- 3-D visualization
- Advergames
- Expanded scope of internet advertising research
- Function of Internet advertising
- Exposure of Internet advertising
- Message of Internet advertising
- Conclusion

## INTERNET ADVERTISING FORMATS AND EFFECTIVENESS

The issue of Internet advertising effectiveness is part of the broader question about the effectiveness of advertising in general. As a result, Internet advertising effectiveness should be examined in a similar fashion as traditional advertising. However, Internet advertising is different from traditional advertising in that the Internet has capacities to extend the function of advertising far beyond what traditional media are able to accomplish. For example, consumers can click on a banner ad for an e-book, check the table of contents or review others' comments, place an order, and download the e-book to their computers, all through the internet. None of traditional advertising media could offer such a combined channel capacity of communication, transaction and distribution. The expanded function of internet advertising comes from its horizontal integration of three key marketing channel capacities (communication, transaction and distribution) and vertical integration of marketing communications, including advertising, public relations, sales promotion and direct marketing (Li 1999). In order to better understand the effectiveness of Internet advertising, therefore, we must examine unique characteristics of the Internet advertising formats and develop new criteria by which the effectiveness of internet advertising can be assessed. For these purposes, this chapter will review criteria of effectiveness of advertising in general and develop a set of new criteria of Internet advertising effectiveness,

- Provides a typology of Internet advertising formats and review research on the formats and effectiveness of internet advertising, and
- (3) Discuss the directions for future Internet advertising research.

## CONCEPTUALIZATION OF INTERNET ADVERTISING EFFECTIVENESS

### DEFINITIONS

The Internet provides the means for "interaction" between buyers and sellers to such a degree that some have suggested this is the defining characteristic of the Internet (Leckenby and Li, 2000). This interaction can be "human-machine," "machine-machine," and "human-message," among others. "Interactive Communication" refers to, for example, "human-message" interaction where the user relates to and, in some cases, modifies the message with which he/she is interacting. Clicking on a banner ad represents a low level of interaction of this nature while choosing an ending among many for an online movie represents a higher level of interactive communication with a message.

"Interactive Media," on the other hand, refers to a carrier of messages, which provides for the possibility of interaction with messages conveyed in that medium. So, the Internet including the Web is an interactive medium, which provides for the possibility of interactive communication with messages. However, the Internet is but one of many interactive media. Mobile phones and interactive kiosk are also interactive media. This chapter will deal exclusively with the Internet and not other interactive media. However, the "convergence" which is rapidly taking place between notebook computers, personal digital assistants, mobile phones, and cable television, for example, make such distinctions less clear. So, in the future, it is likely that many of the format issues discussed in this chapter, although specifically dealing with the internet, may apply as well to other interactive media and communication forms. While it may be the case that any discussion of advertising effectiveness in general will apply to the internet, it may also be the case that any departures from general understanding of advertising effectiveness issues may be due to the special characteristics of interactivity associated with the internet. In particular, there has been a special interest in delineating "advertiser-controlled" versus

“consumer-controlled” aspects of the Internet stemming from interaction issues (Rodgers and Thorson, 2000).

## **OBJECTIVES AND EFFECTIVENESS**

Any discussion of advertising effectiveness necessarily must involve the role of objectives in advertising management contexts. Objectives serve several functions in management. First, they provide direction in decision making by serving as criteria. If one of three alternative media plans must be selected, then the best of the three plans will be the one that performs best on a selected criterion.

Objectives also serve the function of providing a means by which results can be evaluated. How well did the campaign perform? This question can only be answered with respect to some pre-determined objective and the accompanying criterion or criteria. What is meant by “well”? Did the campaign do well in generating profits for the firm? Or did the campaign do well with respect to increasing the number of individuals in the target market who were aware of the brand?

Finally, and importantly, objectives force those involved to gain a deeper understanding of the processes underlying their particular problems. Reasonable advertising objectives cannot be set without knowledge about how the advertising process works. So, there are two interleaved issues in advertising management in general:

1. Setting Objectives and
2. Measuring Advertising Results. These two issues are joined through the use of “Criteria of Effectiveness.”

## **CRITERIA OF EFFECTIVENESS**

Because of their central role in linking objective setting and measuring results, criteria of effectiveness have had a long history in promotion in general and

advertising in particular. In 1898, Elmo St. Lewis (Barry, 1987, p. 252) was the first to propose a systematic way of discussing criteria of effectiveness. He did so in the personal selling context with his "Attention, Interest, Desire, and Action" or AIDA model. Since that time, discussion of criteria has centered on this basic idea in one form or another.

There have been several notable developments in the history of criteria after the original ideas of Elmo St. Lewis. First, was the work of Lavidge and Steiner in 1961 in which they postulated a "hierarchy of effects" in a stair-step fashion with attention leading to interest leading to conviction to desire and finally to action (Lavidge and Steiner, 1961). Importantly, they also categorized these elements into the three broader categories of "Cognition," "Affection," and "Conation." "Conation" was then a popular term for behavior or behavioral intentions but has since largely been supplanted by "Behavior" as the organizing term. For the first time, the criteria of effectiveness were linked to the areas of interest in the field of social psychology, thereby linking the literature in that large field to the issue of criteria in advertising and related fields. Lavidge and Steiner postulated, in general, that cognition leads to affection which, in turn, leads to conation. The process was also thought to be largely inevitable. That is, if the first was established, others would follow in their natural order—with some help along the way, of course, by the advertiser. "Cognition" is a word hard to translate into English but vaguely means "knowing." It concerns the knowledge in a person's mind and how that is obtained. "Affection" refers to both emotional and attitudinal aspects of meaning, liking and disliking, for example. Finally, "Behavior" refers to observable acts on the part of persons or, at minimum, their stated intentions to act (Behavioral Intentions). There was surprisingly little empirical evidence, if any, to show such a hierarchy of effects other than through anecdotal evidence. It was Palda who conducted the first study to examine this hypothesis empirically (Palda, 1966). His study shows little or no correlation between cognitive, affective, and behavioral criteria of effectiveness for the major convenience brands he studied. It was not until the work of Ray and his

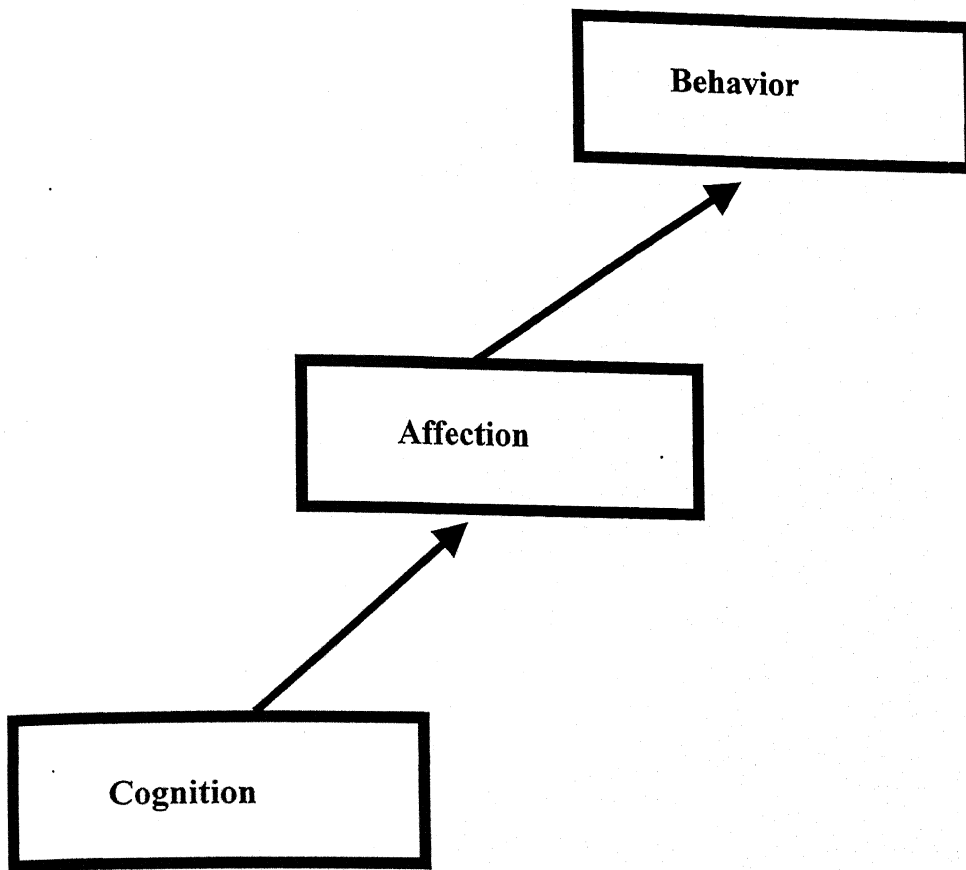
colleagues (Ray, 1973) that the empirical evidence for such propositions as those advanced by St. Lewis in 1898 was finally discovered. Ray found evidence for the existence of three different orderings of the hierarchy elements in his work. He called these the "Learning Hierarchy" (C-A-B), the "Dissonance Hierarchy" (B-A-C) and, finally, the "Low-Involvement Hierarchy" (B-C-A). His work was based, in part, on the earlier work of Festinger (1957) on dissonance in the 1950's and on Krugman's (1965) work on low involvement in television commercial exposure. It should be noted that there are more than three different permutations of three the three elements. What about the other orderings not found empirically by Ray? Finally, in the 1970's Robertson (1971) made the following observations:

- (1) the consumer may make decisions in a "non-rational" manner. That is, he/she may not secure, process or carefully evaluate all the available information;
- (2) there is not a specified sequence of stages which must occur as in Lavidge and Steiner's view. Any such model must make allowances for consumers to "skip" stages; and
- (3) the model must also provide feedback loops because such a process will not necessarily be linear and one-dimensional.

The traditional view of the criteria, cognition, affection and behavior, is shown in Figure

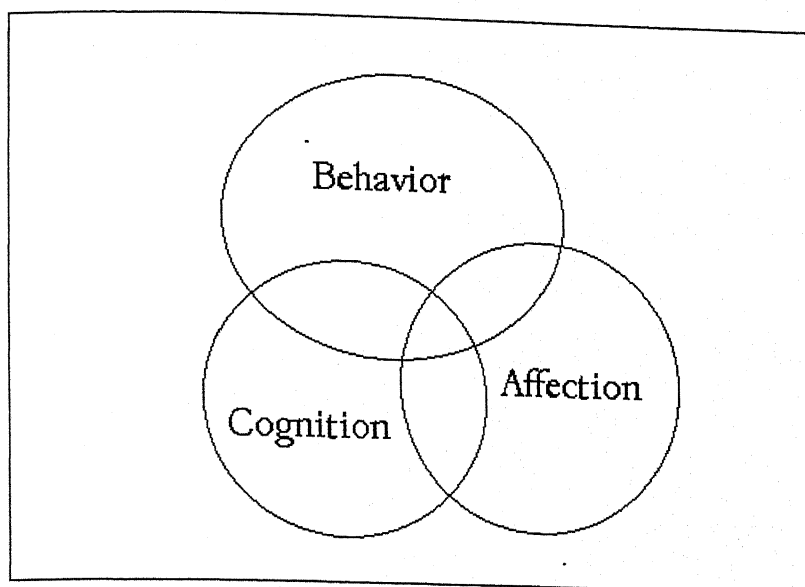
1. This can be contrasted with the ideas developing in the late 1960s as outlined above. In Figure
2. the venn diagram illustrates the non-linear and overlapping nature of the three criteria of effectiveness: Cognition, Affection, and Behavior. There is no one pre-determined "starting criterion" or "ending criterion." Furthermore, it is possible to have more than one criterion developing at the same time as illustrated by the mutually non-exclusive nature of this diagram with respect to the three criteria.

Figure 1

**The Traditional CAB "Hierarchy of Effects" Model**

One author, for example, posited that a full-blown emotional response to a stimulus such as an ad consisted of a physiological, affective and cognitive response occurring simultaneously (Kreshel, 1984). Goose bumps are physiological or behavioral in nature, labeling of an emotional response, "I feel great!" is a cognitive activity while concluding one likes something is affective in nature, "I like this feeling." It should be noted that since at least 1977 (Young, 1977), advertising practitioners have recognized the importance of setting objectives and measuring the effectiveness of messages using all three criteria, C and A and B, rather than just one or two of them. A full view of the effectiveness of the message requires that it be measured on all three dimensions.

**Figure 2**  
**Venn Diagram of Contemporary CAB Criteria**



So, in advertising management, objectives and results are both determined in the context of the criteria of effectiveness as shown in Figure 2. Any question about the effectiveness of Internet message formats will need to be addressed in this general context. However, as noted earlier, there are questions surrounding the concept of interactivity, which require refinement of the generally accepted criteria concepts discussed above.

## **CRITERIA AND INTERACTIVITY**

Although there are undoubtedly many aspects of communication of messages using the Internet that may require extended thought about advertising effectiveness, one outstanding issue is that of "control." That is, how much of the communication surrounding an ad in the Internet is under the volition of the "user" and how much is under the control of the "advertiser"? Leading scholars dealing with effectiveness early on in the development of Internet advertising

pointed to this issue. In their seminal article, Pavlou and Stewart (2000) drew this distinction in the following terms:

- (1) Process Control and
- (2) Outcomes. By "Process Control" these authors refer to the parts of the process of communication through the internet which is largely under the control of the user or consumer of the message. They defined this concept as follows:

Control process measures focus on when and with what consequences consumers and marketers choose to use particular interactive advertising media and advertising content. The focus of such measurement in an interactive advertising context is consumers' use of various media and desire for particular kinds of information toward the end of determining the appropriateness of various interactive media for different types of advertising under various other conditions (Pavlou and Stewart, 2000).

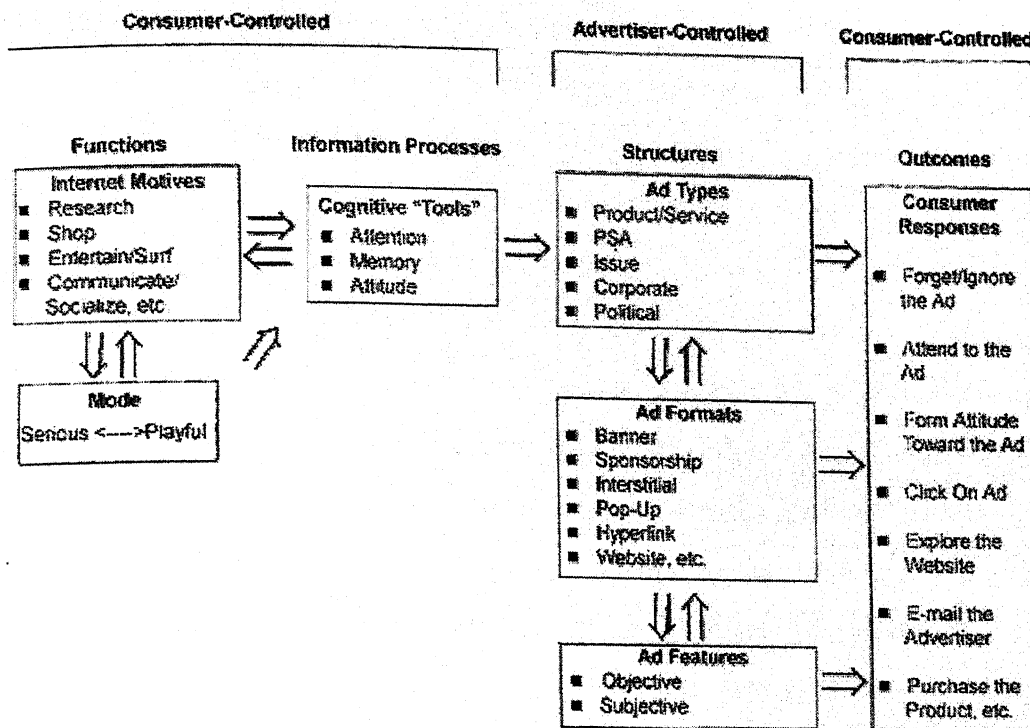
The focus here is on the user deciding whether or not to be exposed to the message and the manner and time of the exposure.

Rodgers and Thorson (2000) draw a similar distinction in their IAM (Internet Advertising Model) model. A primary element of their model, which is designed to explain the communication process consumers follow in relation to messages on the Internet, is that some of these processes are "advertiser-controlled," while others are "consumer-controlled." While it can be said that the consumer controls magazine ad exposure by deciding or not deciding to open the magazine, the authors in this case are referring to more "extensive control" on the part of the consumer than is possible through other media types such as magazines. The IAM model is shown in Figure 3.

Both the above studies draw the issue of "control ownership" as the basic concern providing the difference between internet advertising effectiveness measurement and that in other media. Therefore, it is plausible to suggest that

any general model of advertising effectiveness relating to the internet will need to take account explicitly of this factor.

**Figure 3**  
Internet Advertising Model



Source: Rodgers and Thorson (2000)

## CRITERIA AND CONTROL OWNERSHIP

Control ownership is not so much about outcomes as it is about the process of communication (Pavlou and Stewart, 2000). In this sense, the measurement of advertising effectiveness can be thought of in terms of two distinct aspects:

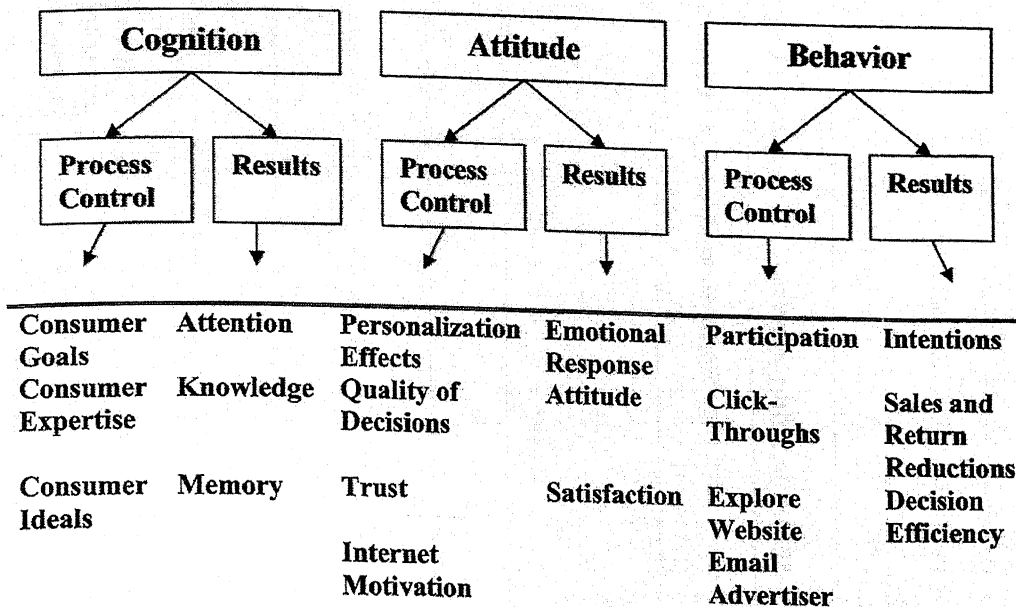
### Process Control and Results.

These two sets can be thought of as different but also complementary in their focus. First, "Control Process" measures concern primarily media choice, information search, and the attention to and processing of information. These measures are first and foremost concerned with the manner in which users

construct and control their relation to messages on the internet. Second, the "Results" measures concern the outcomes of consumers having been exposed to messages on the Internet. The ad is the independent or mediating variable while standard CAB measure such as attention, memory, knowledge, attitudes and intentions become the dependent variables. Of course, both Process Control and Results are partially under the control of the advertiser who constructs the message and partially under the control of the user of the message, the recipient. Regardless of the degree of control in either end, it is essential that both "control ownership" aspects be tracked and measured so that a well-rounded view of the effectiveness of Internet advertising can be obtained. Each of these two control ownership dimensions can be considered operating under any or all of the three dimensions of effectiveness, Cognition, Affection and Behavior. Figure 4 shows some examples of effectiveness measures categorized by CAB dimensions and Control Ownership dimensions. In Figure 4, suggestions are made with respect to measures which might be under the control of either the user or the advertiser that would indicate the control of the messaging process. So, for example, interactivity will be low on the part of the user if the user does not possess expertise about surfing the internet; this is largely a cognitive function. Personalization effects on the part of the advertiser are likely to lead to affective responses and interactions on the part of the user during the messaging process. And active participation in the message process as a behavioral response depends on the willingness of the consumer to participate and on the formats designed by the advertiser to encourage such participative behavior. The measures listed in Figure 4, as examples, under Results are largely the standard measures of advertising effectiveness categorized by CAB criteria.

Figure 4

CAB criteria of effectiveness by control ownership  
With Measurement Example



Given the conceptualization of internet advertising effectiveness outline above and shown in Figure 4, the following sections of this chapter will consider the classification and effectiveness of various internet advertising formats.

## FORMATS AND EFFECTIVENESS OF INTERNET ADVERTISING

Internet advertising has been in a constant evolution since its debut in the early 1990s. In one of the earliest internet advertising books, Strangelove (1994) documented several ad formats, including electronic mailing lists, Usenet newsgroups, signature files, free electronic newsletters, software samples, electronic brochures, and storefronts on the Web. Popular ads were postings to Usenet newsgroups such as "misc.forsale" and "biz.marketplace." In 2003, Interactive Advertising Bureau (IAB 2004) measured the revenues of nine formats of internet advertising: keyword search, banner ads, classifieds,

sponsorships, rich media, email, slotting fees, interstitials and referrals. There are dramatic changes in the use of internet advertising formats, as shown in Table 1.

For example, banner ads gradually declined from 56 percent in 1998 to 21 percent in 2003. Sponsorships observed a similar decrease from 33 percent in 1998 to 10 percent in 2003. On the other hand, rich media gained from 2 percent in 2002 to 8 percent in 2003, and the greatest rise is for keyword search, from 1 percent in 2002 to 35 percent in 2003, becoming the leading format of internet advertising.

Beyond these formats measured by IAB, internet advertisers also have adopted other new formats, such as three-dimensional visualization and brand integration in internet movies and online games. These formats further blur the distinction between advertising and marketing communications and represent one of future internet advertising trends. This section reviews the characteristics of major formats of internet advertising and research on their effectiveness.

**Table 1**  
**Internet Advertising Revenues by Ad Format: 1998-2003**  
**(Percent)**

	1998	1999	2000	2001	2002	2003
Banner ads	56	56	48	36	29	21
Sponsorships	33	27	28	26	18	10
Interstitials	5	4	4	3	5	2
Email	-	2	3	3	4	3
Classifieds	-	-	7	16	15	17
Rich Media	-	-	2	2	5	8
Keyword search	-	-	1	4	15	35
Referrals	-	-	4	2	1	1
Slotting fees	-	-	-	8	8	3
Other	6	11	3	-	-	-
Total	100	100	100	100	100	100

Source: IAB, 1999-2004.

## BANNER ADS

Banner ads (also called display ads) are one of the popular formats of internet advertising. They often made of text and graphics, either static or animated. Internet Advertising Bureau specified eight standard banner sizes in 1996 and expanded standard banner sizes to 14 in 2001, in recognizing advertisers' needs for larger ads and greater impact. Banner ads have been used primarily for direct response, and their click-through rates declined from an average of 3 percent in the mid-1990s to 0.5 percent in the early 2000s (AdKnowledge 2000, cited in Meskauskas 2001) and to 0.28 percent in the first quarter of 2003 (DoubleClick 2003). In one of the early studies of banner ad effects, Briggs and Hollis (1997) used a proprietary system to measure the impact of banner ads, and they found that even without click-through, banner ads resulted in heightened ad awareness, brand perceptions and attitudinal shifts for apparel and technology brands. Their findings confirmed the dual role of banner ads in both direct response and image building though the latter was then often overlooked.

More studies were conducted to explore the impact of banner ad characteristics, such as size, animation, incentives and emotion of banner ads. Li and Bukovac (1999) examined the recall, click-throughs and response time as functions of banner ad type (static or animated), banner ad size (small and large) and user mode (surfing or seeking) in a lab experiment. The results indicate that animated banner ads cause better recall and faster click-throughs than static banner ads and large banner ads generate higher and faster click-throughs than small banner ads although no effect of user mode was found. Xie, Donthu, Lohtia and Osmonbekov (2004) analyzed 8,098 real world banner ads and found that the click-through rates were affected by incentives and the impact of incentives was enhanced by positive emotions in banner ads; however, ads with negative or no emotions seem to work better only when no incentives are offered. More recently, Sundar and Kalyanaraman (2004) investigated the effects of animation speed of banner ads, and they found that fast-animation

speeds to be more attention grabbing and able to elicit greater physiological arousal, particularly when contrasted with slow-animation speeds.

## SPONSORSHIP

Online sponsorship involves placements of the sponsor's identify (corporate logo or brand name) in sponsored Web sites to build good-will more than traffic to its site. Meenaghan (1983) defined sponsorship as "the provision of assistance either financial or in kind to an activity by a commercial organization for the purpose of achieving commercial bjectives." Gardner and Shuman (1988) considered sponsorship as "investment in causes or events to support corporate objectives (for example, by enhancing corporate images) or marketing objectives (such as increasing brand awareness)." (p. 44) Sponsorship achieves these goals by creating and maintaining in the consumer's mind an association between the brand and an event that the target consumer values highly (Crimmins & Horn, 1996). Like traditional sponsorship taking advantage of an event or activity, online sponsorship benefits from the user's visitation and positive dispositions toward sponsored Web sites. For example, pharmaceutical companies in 1998 spent about half of their online advertising dollars sponsoring health Web sites (Neff, 1999).

Research on online sponsorship has explored factors that affect the effectiveness of this format of interactive advertising. Rodgers (2004) investigated the impact of online sponsor relevance from an association perspective. By sponsor relevance Rodgers means a match between sponsors and sponsees in terms of shared semantic features, as a travel service sponsoring the travel section of a Web site. The results indicate that relevant sponsors are more likely than irrelevant sponsors to elicit stronger recall, brand evaluations and purchase intentions. Rifon, Choi, Trimble and Li (2004) examined the perceived corporate motive of online sponsors and the results suggest that a good fit of the company and the cause it sponsors generates consumer attributions of altruistic sponsor motives and enhances sponsor

credibility and consumer attitude toward the sponsor. Although conducted from different theoretical perspectives, these studies all imply that it is essential for a company to select a fit event, cause or activity to sponsor and the perceived fit affects the effects of online sponsorship.

## INTERSTITIALS

Although accounting for a relative small portion of Internet advertising revenues, interstitials include pop-ups and pop unders are the most controversial format of internet advertising. Interstitials are perceived to be intrusive because they put audiences in a forced exposure mode (Cho 2000). In traditional media, TV commercials are an example of forced exposure because they normally interrupt an audience's viewing process either within or between programs. On the other hand, newspapers ads are examples of voluntary exposure because readers may or may not look at them whenever reading a newspaper. The internet has the capacity to display ads in both voluntary and forced exposure modes. Banner ads are normally viewed in a voluntary fashion like magazine ads though there are complaints about their ubiquity as eyesores on the Web, which cause some users to use ad-blocking filters to avoid the display of banner ads in their browsers (Dalton, 1998).

Forced exposure ads are often perceived to be intrusive, resulting in negative response such as feelings of irritation and ad avoidance (Li, Edwards and Lee 2002, Edwards, Li and Lee 2002). Edwards et al (2002) found in an experimental study that perceived intrusiveness in interstitials is a function of the viewer mode and ad characteristics. That is, viewers can be in a goal-directed, searching mode or a mindless surfing mode, and they are likely to perceive a pop-up ad to be less intrusive when they are in a surfing mode than in a searching mode. For viewers in the same mode, forced exposure ads are likely to be perceived to be less intrusive if they are editorially congruent, informative and entertaining than otherwise.

Forced exposure ads such as interstitials, pop-ups and pop-unders are on decline in recent years as increased resistance of internet users, decreased acceptance of major internet service providers and wider adoption of ad-blockers. However, these intrusive ads are expected to continue in use as more innovative ways are developed to deliver them (Olsen 2004).

## **RICH MEDIA**

Rich media is a generic term for a variety of highly interactive, visually influential internet advertising formats. With vector-based graphics, streaming audio and video, and Java-powered interactivity, rich media ads deliver enhanced impact and result in improved user response. Most rich media ads are displayed in a voluntary exposure mode so that they are generally acceptable for most internet users. The premise of rich media ads lies in the assumptions that messages appealing to multiple perceptual systems are better perceived than those that call on single or fewer perceptual systems, and that high quality messages (e.g., vividness or distinctiveness) are more effective than low quality messages (Reeves and Nass 1998). However, the visual impact of rich media ads is often positively related to the amount of information, which in turn, determines the size of an ad. The larger and richer an internet ad, the longer time it takes to download and display on the computer screen. The increasing use of rich media ads is partially attributable to the proliferation of broadband internet in the U.S. households.

Rich media ads are found to be more effective than banner ads in professional studies. According to eMarketer news (2002), a June 2002 DoubleClick study of 400 million rich media found that the click-through rates of rich media ads averaged at 2.4%, six times higher than conventional online ads at 0.4%. A study by Dynamic Logic (2002) of 320 on-line campaigns and 338,184 interviews indicated that the average lift in message association was 21 percent for graphic ads, 37 percent for flash-based ads and 44 percent for rich media ads. Message association refers to the ability of a consumer to link a brand to a

specific message and lift is the difference between users who are exposed to a message and those who are not. Rich media ads in the study include superstitial by Unicast, dHTML by Eyeblaster, MSN's NGAP, Shoshkalees, Eyewonder and Klipmart, and Enhanced Flash by PointRoll, among others.

## **KEYWORD SEARCH**

Keyword search became the most popular format of internet advertising in 2003 in terms of revenues, surpassing banner ads, classifieds and sponsorships (IAB 2004). Keyword search, also called paid listings, are main sources of revenues for internet search sites such as Yahoo!, MSN, Lycos and Google. Keyword search rises to meet the new needs of consumers, advertisers and search and content sites. As information on the Internet increases exponentially, finding useful information on the internet is never an easy task. Search sites become the starting point of Internet use for millions of users every day. It is estimated that 30-40 percent searches are out of commercial motivations, making keyword search a potentially lucrative lead to Web sites that are designed to sell. Most paid listings services such as Overture and Google's AdWords offer keyword search on a pay-per-click basis, a pricing method that advertisers prefer. Keyword search is superior over other Internet advertising formats in that it delivers relevant commercial information at the moment when users need it. As a result, users are less likely to consider it intrusive. Unfortunately, little research is available about the effectiveness of this format of Internet advertising at present.

## **3-D VISUALIZATION**

Another format of Internet advertising that has been used by more advertisers is 3-D product visualization. Different from many banner ads which enable users to interact with a Web site, 3-D visualization lets consumers interact with simulated products on the Web. The interface properties of 3-D visualization offer a natural approach to product inspection and represent a form of "object interactivity" (Schlosser 2004). For example, consumers can inspect a 3-D

product by rotating it for view from any angle, zooming in and out for details, and even trying some product (e.g., a digital camera or a laptop) functions through prescribed animation (for a review, see Li, Daugherty and Biocca 2001). Three-dimensional visualization has been used in an increasing number of Web sites of computers, appliances and electronics and even apparels. For example, the Sears site recently adopted 3-D visualization for household furnishing and decoration (Anonymous 2004).

Research shows that compared with graphical presentation of products on the Web, 3-D production visualization results in improved product knowledge, more positive brand attitude and heightened purchase intention for products for which touching is not essential for purchase decision (Li, Daugherty and Biocca 2003). Schlosser found in a series of experiments that object interactivity, which allows the user to directly manipulate objects in the virtual world, led to higher purchase intentions than when the same product information is presented passively, either in block of text with graphics, through a story-board format, or through interactivity in instruction, regardless the user in a searching or surfing mode. Griffith and Chen (2004) examined the impact of virtual direct experience on product purchase decision, and they found that on-line ad enhanced with virtual direct experience results in lower perceived risk, higher evaluation, high affect and high conation. They further investigated the effect of the degree of digitization on apparel and the findings generally support the statement that higher degree of digitization of experiential attributes of apparel products improves the effectiveness of virtual direct experience ads. Li, Daugherty and Biocca (2003) attribute the superiority of virtual experience as simulated in 3-D visualization over indirect or even direct experience for certain types of products (e.g., visual and material products) to virtual affordances, perceptual cues that can be simulated in 3-D visualization. They posited that when virtual affordance either match or exceed the consumer's perceived affordance, virtual experience results in better product knowledge, brand attitude and purchase intention. Schlosser (2003) explored

the role of object interactivity from the mental image effects perspective. She speculated that the act of directly manipulating a virtual object should produce clearer mental images than if the information is acquired passively and that because vivid mental imagery more closely resembles the actual experience than cognitive elaboration, it should affect intentions. Different theoretical perspectives seem all supportive of the superiority of 3-D visualization as a format of on-line advertising.

## ADVERGAMES

Product placement in online games is another example of ad-content integration, where interactive technology is used to embed brand messages in an entertaining fashion. The degree to which a brand is integrated into a game varies. Chen and Ringel (2001) observed three levels of integration: associative, illustrative and demonstrative. Associative integration is the lowest level, where a brand can be placed in the background of an activity or event, such as a Jack Daniel's logo appears around a pool table to not only make a natural setting but also appeal to the audiences its campaign is targeting. Illustrative integration places a brand in a prominent position in a game, such as an adventure game that features a story line to force a cartoon character to collect his wind-scattered General Mill's Cinnamon Toast Crunch cereal before the start of school. Demonstrative integration represents the highest level of brand integration, such as a slam-dunk game in which a character demonstrate the performance features of the Nike Shox basketball shoes chosen by the player in the opening sequences of the game (Chen and Ringel 2001). Different types of brand integration in games also were discussed in other studies (Nelson 2002; Chaney, Lin and Chaney 2004).

In one of the studies of game player characteristics, Youn, Lee and Doyle (2003) compared three groups of people: on-line gamers, non-gaming internet users and non-internet users. Although there is no gender difference among them, on-line gamers are more impulsive and higher in novelty seeking, risk-

taking, and word-of-mouth communication than other two groups. Both online gamers and non-gaming Internet users are more liberal toward socially sensitive issues than non-Internet users and more tolerant of advertising that contains sex or violence.

## **EXPANDED SCOPE OF INTERNET ADVERTISING RESEARCH**

The review of effectiveness of various internet advertising formats indicates that academic research has fallen behind the practice in that some of the new internet advertising formats have not been adequately investigated. As a result, the analysis of some formats has to rely heavily on studies that have been conducted by advertising agencies, consultancies and associations. There are great challenges for future internet advertising researchers. Like traditional advertising media, the growth of the internet as an advertising medium depends on how it meets the expectations of all parties that are involved: advertisers, internet publishers and consumers. For advertisers, the internet is expected to be more effective than traditional media in accomplishing certain advertising objectives. For internet publishers, an audience and advertisers are equally important. Internet publishers must strive for attractive content to maintain an audience basis. At the same time, internet publishers must deliver formats of internet advertising that are effective for advertisers and acceptable to consumers. For consumers, benefits of the internet must exceed its costs before the internet can become a channel of choice for their information, entertainment, and shopping and buying activities. These expectations are driving forces behind the further development of internet advertising.

There must be a balance in benefits and costs of internet advertising among the three groups of constituents. An ultimate goal of internet advertising research is identify and understand the ways internet advertising can be most effective for advertisers, suitable to publishers, and acceptable to consumers. The next section reviews major studies in the area of Internet advertising and discusses the directions for future research.

## **FUNCTION OF INTERNET ADVERTISING**

The latest development of Internet advertising suggests that the real power of Internet advertising lies in its integration with conventional advertising to maximize its impact. Philport and Arbittier (1997) anticipated in the early time of internet advertising, "With respect to the Internet, we may have the first advertising channel that is not only a medium in and of itself but also a valuable extension of traditional channels" (p.75). Research of internet advertising should gradually be expanded from the effectiveness of individual formats of internet advertising into the function of various formats in combination and integration with other advertising and marketing efforts. A recent study by Chang and Thorson (2004) of the synergy of television and Web advertising represents a new approach to the function of internet advertising. There are some interesting questions to be answered when examining internet advertising in a broader perspective. For example, what will consumers usually do after they are exposed to and get involved in an online advertising message? How would exposure to internet advertising affect a consumer's subsequent information search and actual purchases? What is the role of internet advertising in generating and maintain consumer loyalty? Harvey's (1997) extension of the ARF model is still highly useful framework for exploring the function of internet advertising.

A better understanding of the function of internet advertising will not only help the development and use of various internet advertising formats but also assist the effective integration of both traditional and internet advertising in marketing campaigns.

## **EXPOSURE OF INTERNET ADVERTISING**

In a seminal study, Leckenby and Hong (1998) tested a number of traditional media models using audience data from top 50 Web sites. They concluded that reach and frequency can be estimated quite accurately for schedules of Web vehicles but that conceptual and technical problems need to be solved before

reliable estimates can be made for schedules that mix both traditional media and internet vehicles. Because the integration of traditional and new media is essential for many advertising campaigns, better understanding of cross-media usage and relative impact of messages from different sources is highly needed. For example, what is the optimal combination of traditional and new media vehicles to reach a particular segment of consumers? How can different media vehicles supplement each other to maximize the impact of their impact? What are the reach patterns of placement in both the internet and other conventional media over a period of time? There is little knowledge about these important questions. The concept of effective frequency has been long established for media planning although recently scholars have started questioning the validity of this concept (Cannon, Leckenby, & Abernethy, 1996; Cannon & Riordan, 1994). Unfortunately, no studies are found to address the issue of optimal frequency levels for a given product category or service type in internet advertising. How many exposures are sufficient to solicit a recall, or result in advertising wearout? What factors determine the level of effective frequency? Or is the concept of effective frequency still necessary in internet advertising?

## MESSAGE OF INTERNET ADVERTISING

Behavioral response and branding are two major objectives of internet advertising. Blessie and Ju-Pak (1998) found, in a content analysis of 200 banner ads, that ads meet consumers' need for information, entertainment, and value by employing a variety of elements such as multimedia, interactivity, news, and incentives. The authors concluded, however, that Web and banner advertising are not being used to their full potential and suggested further research on "content, design, and context to determine which elements are effective in creating and maintaining attention, interest, and motivating click-through" (p.14). New research is needed to examine the influence of various factors in internet ad formats, ad-content integration and modes of advertising exposure. For instance, do consumers perceive any difference in credibility

between editorial contents carrying banner ads and editorial contents blended with advertorials?

How intrusive do users perceive newly emerged floating ads? How effective are various methods of brand integration in online games?

## CONCLUSION

The effectiveness of Internet WWW advertising formats must be judged in the context of an overall philosophy or model of advertising effectiveness in general, regardless of medium or message characteristics. Yet, this chapter has also made the point that the Internet WWW has some special characteristics, notably interactivity, which bring about special issues, which though may have existed in traditional media to some extent, become much more important in the new medium. Process control is one of those issues. The authors have sought to place this newly important element of Internet WWW advertising into the context of the traditional Cognition, Affection and Behavior (CAB) model of advertising objective-setting and effectiveness.

It is clear the formats of Internet WWW advertising continue to undergo rapid changes. The role of the much-maligned banner ad has decreased by more than one-half since 1998 as a portion of all Internet WWW advertising formats utilized. Keyword search Internet WWW advertising did not register relative to other formats in terms of advertising expenditures in 1998. Today, it represents 35 percent of all advertising expenditures on the Internet WWW. The constant evolution of the importance of different formats since 1995 shows the continuing fluidity of what is meant by Internet WWW advertising. An article in the New York Times of 2004 points out the problem of "fake" clickthroughs to a firm as the result of keyword search (Zeller, 2004). This article suggests that firms such as Eddie Bauer, Office Depot and CompUSA are paying upwards of \$10,000,000 a year on fake clickthroughs which are generated not by consumers but by automated hacker programs in keyword search. These

new technological issues suggest continued rapid evolution of Internet WWW formats, in addition to other pressures for format change which have existed in the past. It seems reasonably clear that old Internet WWW formats such as the banner ad will not disappear any time soon, though much maligned. There is evidence of their effectiveness (IAB,2004), and, as long as this is so, they will continue in existence. Rather than old formats disappearing, they seem to be remaining along with the invention of new formats so that the variety of formats available to advertisers is increasing with the passage of time and the maturing of the Internet WWW. There are at least nine major format types now available to advertisers whereas in 1995 there were perhaps two or three. This is a positive development for the future of Internet WWW advertising. The continued invention of new formats is likely to continue into the foreseeable future.

One of the important challenges for advertisers is to find new ways to integrate Internet WWW advertising formats into the traditional advertising campaign with its traditional media and traditional formats. This is increasingly important as more new Internet WWW advertising formats come along. Part of this job will lie in the measurement of the effectiveness of these new formats. How should Keyword Search be measured in terms of advertising effectiveness? Is this solely in terms of clickthroughs? Can Keyword Search be measured using traditional effectiveness "Results" approaches in an efficient manner? It is probably the case that, as illustrated in Figure 4, the traditional effectiveness model of CAB will need to be employed, at a minimum, with the additional thought and work implied by "Process Control" and "Results" measures. This necessarily means the job of measuring advertising effectiveness will be expanded to include more measures, and, consequently, more time and money on the part of advertisers.

Finally, this chapter points out the need for more academic research on advertising effectiveness on the Internet WWW, in general, and on formats, in

particular. There is a dearth of such research at the moment. Much of the current knowledge is proprietary or has its source in information published in trade publications. Academicians need to do more to contribute to the understanding of Internet WWW advertising effectiveness. There is considerable work of this nature relating to general processes of consumer interaction with interactive advertising at the moment. What is lacking is research of an academic character dealing with the effectiveness of advertising formats on the Internet WWW.

## Chapter – 8

### Conclusion And Recommendation

#### RECOMMENDATION AND CONCLUSION IS ...

*"Suggestion as fit for some purpose or use and judgment reached by reasoning."*

## RECOMMENDATION AND CONCLUSION

Internet advertising is plays a very effectual role on the modern advertising scenario. Since the emergence of modern advertising more than 70 years ago, members of the profession have recognized that it's a direct reflection of society at the time demands, Today the picture of our time would also be presented on a computer screen, with the sound of Modern connecting in the back ground. The Internet the largest global network of networks computers, was found in the sprit of free access to information, which is also in the form of advertising.

Internet advertising revenue is growing at faster clip than television, which could slowly begin losing global share of revenue in 2007 according to the research and prediction from Zenithoptimedia. The internet is easily the fastest growing medium, Internet ad spend grew 21 percent in 2004, and expect the grow in double digit in each year as we forecast. How ever the Internet is by no means the sole driving force of growth, the traditional media are pulling their weight as well, the Internet will continue to grow their share of global ad revenue this year, with TV spending gaining 0.1 percentage point and Internet spending gaining 0.2 percent of share. Predictions for newspapers, magazines and radio all dropped slightly, while cinema and out of home remain flat.

TV is expected to gain 0.2 percent of share in 2006, while Internet will add 0.3 percent. The turning point for TV could come in 2007, when it is expected to lose 0.1 percent of share, while Internet spending gains by 0.3 percent.

In most developed markets, TV is starting to lose its power as a mass medium. It's also not growing as much in developing markets. Much of the shift to other types of media results from a shift in advertiser types. In developing markets, the first advertisers in those markets have been multinational consumer packaged goods (CPG) manufacturers, who have traditionally turned to TV for

branding ads. As markets develop, other kinds of advertisers, with other preferred media, shift the balance away from TV.

The Internet attracted 3.6 percent of total ad spend in 2004, up from 3.2 percent in 2003. It has a 5.4 percent share in the United States and a 7.7 percent share in Sweden, the country with the highest Internet penetration in the world. Its share is still growing in both countries. The weak point is in Latin America, which lags behind other areas, but shows some signs of strength.

The Internet's share of world ad spend could easily double in the longer term; we expect it to rise to 4.4 percent by 2007. Ad spend in the traditional media excluding the Internet grew 7.0 percent in 2004, and is forecast to grow 5.1 percent in 2005, 6.2 percent in 2006 and 5.7 percent in 2007.

There are several factors that point to the growth in online ad spend remaining strong, in contrast to the "bubble" of the late 90s. The type of advertiser is different. There are several well-established brands that have been testing the waters for the past few years, and are now convinced of the effectiveness of Internet ads. They're poised to spend large amounts of money online. In addition, the improvements in analytics gives direct-response marketers an immediate reading of the effectiveness of online ads, so they know any spending they do will have a positive effect on sales, as opposed to the hit-or-miss ad plans of the bubble days.

The emergence of Internet advertising is likely to have wider implication for business than many imagine. Its effects will not be confined to the online world, but will extend to traditional marketing activities and processes. For those who look closely, Internet advertising holds many more opportunities and risks than is commonly assumed. And the payoff waiting for those who rise to the challenge will more than justify the efforts required.

Analysis made in survey were people use Internet since last 3 years

Age/Sex group	% in population 12 -64 years old	% among Internet users	% among Internet users who prefer Internet over television
Male 12-19	13%	26%	25%
Male 20-24	7%	11%	10%
Male 25-34	11%	14%	8%
Male 35-44	9%	9%	6%
Male 45-54	6%	6%	2%
Male 55-64	4%	2%	0%
Female 12-19	10%	11%	20%
Female 20-24	7%	7%	12%
Female 25-34	13%	7%	7%
Female 35-44	11%	5%	9%
Female 45-54	7%	2%	1%
Female 55-64	4%	1%	0%

This survey shows that the maximum % of male and female who are Internet user are age group of 12-19 which shows the coming scenario is influenced by the Internet. Young's lead the society and they are accepting Internet as an important tool.

Hence the future of Internet Advertising is quite bright in coming time.

## RECOMMENDATION

- Information Technology Act 2000 should defined rules of Publishing Internet Advertising.- The clear web publishing Law should be defined in the IT Act 2000, So that the terms and Condition should be very much clear for publishing web Advertising to the Sponsor as well as the responsibility and duties must be defined clearly to all. IAB Ensure party to important Internet issues, by inviting people to take part in our industry- leading seminars, featuring key figures in online Advertising.
- Internet Advertising Bureau to develop in India.- The Interactive Advertising Bureau is the only association dedicated to helping online advertising, interactive broadcasting, email wireless and interactive internet Advertising, I A Bureau should be developed in India.
- High speed Internet Advertising connection should be provided easily- Government of India is doing a good Job in development of the Internet Facilities in India, The Ministry of Information Technology had one pint on its ten top Agenda that Providing broadband connectivity to all, at the most reasonable prices shall be my top most priority. But still need more development in this field, Specially in rural Areas.
- Awareness programs for Internet users should be designed.- The awareness programs should be designed by the educational institutes on India so that these programs help in creating an Internet society at all level of education.
- Internet Advertising make easy to all Sponsors- Well designed system by the competent authority for web publishing make Internet Advertising easy to all sponsors.

- Effective yellow pages must be developed in the field of IA. - India had not yet develop an effective yellow pages by governing body that is also a major cause that makes internet Advertising less effective.

# Questionnaire For the Internet Users

Name of Net Surfer .....

Add.....

Email .....

Age.....Male ☐ Female ☐

Occupation.....

**Researcher:** Devendra K Dhusia  
Bundelkhand University, Jhansi

Please answer following questions:-

Q1. How much time you gave on Internet in a week?

(A) ☐ 1hr (B) ☐ 5hrs (C) ☐ 10hrs (D) ☐ More than 10hrs

Q2. Do you require to pay for internet facility. If yes then how much

(A) ☐ No (B) ☐ Rs 5/-hrs (C) ☐ Rs10/-hrs (D) ☐ Rs20/-hrs (E) ☐ At any cost.

Q3. You use Internet for the purpose of-

(A) ☐ Research (B) ☐ Teaching (C) ☐ Entertainment (D) ☐ Communication

(E) ☐ News (F) ☐ Product / Services information (G) ☐ All of these.

Q4. Search Engine most preferred by you-

(A) ☐ Alta Vista (B) ☐ Google (C) ☐ Indiatimes

(D) ☐ WebCrawler (E) ☐ Infoseek (F) ☐ Any other .....

Q5. Which free e-mail service do you prefer most -

(A) ☐ Indiatimes (B) ☐ yahoo (C) ☐ rediffmail

(D) ☐ MSN (F) ☐ Any other .....

Q6. What may be the possible drawbacks of Internet Consumerism-

(A) ☐ Lack of personalized information or contact

(B) ☐ Relatively higher cost

(C) ☐ Limited to small number of consumers

(D) ☐ All of these (E) ☐ None of these

Q7. Which Advertising medium do you find more Reliable-

(A) ☐ Television (B) ☐ Radio (C) ☐ Newspaper

(D) ☐ Internet (E) ☐ Magazine

Q8. Rating given by you on these Ad-

(A) T.V (B) News paper (C) Magazine (D) Internet

I.....

II.....

III.....

IV.....

Q9. Do you know what is Internet Advertising-

(A) ☐ Yes

(B) ☐ No

Q10. What do you think Internet advertising is-

(A) ☐ Informative

(B) ☐ Reminder

(C) ☐ Persuasive

(D) ☐ All of these

Q11. Do you think Internet Advertising will super side other modes of advertising in a decade, like News Paper, Radio, Television etc.

(A) ☐ Yes

(B) ☐ No

Q12. Please Name any Ad, which you like most on Internet

☐ .....

Q13. Would you like to skip Internet advertising while Surfing-

(A) ☐ Generally (B) ☐ Some times (C) ☐ Always (D) ☐ Never

Q14. Do You prefer on line purchase-

(A) ☐ Yes

(B) ☐ No

Q15. Have you used Internet Advertising in your buying decision?

(A) ☐ Always

(B) ☐ Never

(C) ☐ Some times

Q16. Does Internet Advertising interfere you while Surfing-

(A) ☐ Yes

(B) ☐ No

Q17. Is any Ad on Internet give you Physiological reaction like effect on your heart beat, blood pressure, attitudes or intention.

(A) ☐ Yes

(B) ☐ No

Q18. Can you please tell us which of the following most closely matches the industry sector in which you are currently employed-

☐ Agriculture ☐ Law ☐ Banking/Finance ☐ Manufacturing/Mining

☐ Biotech/Science ☐ Media/Publishing/Arts ☐ Chemicals ☐ New Economy

☐ Construction ☐ Oil & Energy ☐ Defense ☐ Public Sector ☐ Electronics

☐ Retail/Wholesale ☐ Engineering ☐ Semiconductors ☐ Food/Drink/Tobacco

☐ Textiles/Clothing ☐ Government/Politics ☐ Tourism/Leisure ☐ IT & Telecom

☐ Transport

Q19. And which of the following most closely describes the position that you hold within your company-

☐ Managing Director ☐ Senior Manager ☐ Chairman ☐ Other Manager

☐ Chief Executive ☐ Professional ☐ Owner ☐ Consultant ☐ Partner

☐ Director ☐ Other.

Q20. Your Family Income Per Annum in thousands-

(A) ☐ Rs 20,000 to 50,000 (B) ☐ 50 to 1 lakh

(C) ☐ 1 Lakh to 5 Lakh (D) ☐ More then 5 Lakh

Q21. Are you credit Card Holder-

(A) ☐ Yes (B) ☐ No

Q22. Are you aware of the risk of using credit Card through Internet-

(A) ☐ Yes (B) ☐ No

Q23. According to you Internet is.....

- "Creative without strategy is called 'art.'

Creative with strategy is called 'advertising.'

THANK YOU FOR YOUR TIME

Date.....

Signature



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Internet advertising bureau	<a href="http://www.iba.org.uk">www.iba.org.uk</a>
Ministry of Information technology	<a href="http://www.mitgov.in">www.mitgov.in</a>
National Informatics center	<a href="http://www.nic.in">www.nic.in</a>
Business week site	<a href="http://www.businessweek.com">www.businessweek.com</a>
Internet Advertising	<a href="http://www.cyberatlas.com">www.cyberatlas.com</a>
Advertising News group	<a href="http://www.Phenenix.net">www.Phenenix.net</a>
Point communication corp.	<a href="http://www.pointcom.com">www.pointcom.com</a>
Media link	<a href="http://www.dds.nl">www.dds.nl</a>
Black list of Internet advertisers	<a href="http://www.caltech.edu">www.caltech.edu</a>
Security First Bank Network	<a href="http://www.2.verginia.org">www.2.verginia.org</a>
MAP Quest	<a href="http://www.geosys.com">www.geosys.com</a>
Columbia University	<a href="http://www.columbia.rdu">www.columbia.rdu</a>
Performance of website	<a href="http://www.webposition.com">www.webposition.com</a>
Net surveyor Publishing	<a href="http://www.netsurfer.com">www.netsurfer.com</a>
Mage's guide to the Internet	<a href="http://www.unogen.net">www.unogen.net</a>
Publisher's web Pages	<a href="http://www.bookwire.com">www.bookwire.com</a>
On line Magazine	<a href="http://www.Motorcycle.com">www.Motorcycle.com</a>
Net library	<a href="http://www.delnet.nic.in">www.delnet.nic.in</a>
Advertising & Marketing	<a href="http://www.iconocast.com/Internet_Advertising.html">www.iconocast.com/Internet_Advertising.html</a>
Net surfing publishing	<a href="http://www.ftp.netsurf.com">www.ftp.netsurf.com</a>
Nasscom	<a href="http://www.nasscom.org">www.nasscom.org</a>
Dept of Telecommunication	<a href="http://www.indiadot.gov.in">www.indiadot.gov.in</a>
Internet service providers Association	<a href="http://www.isp.org.uk">www.isp.org.uk</a>
Internet service providers Association of India	<a href="http://www.ispai.com/">www.ispai.com/</a>
Jurisdiction of the Internet	<a href="http://www.suffolk.edu">www.suffolk.edu</a>
U.S. Court Internet Jurisdiction	<a href="http://www.ipww.com">www.ipww.com</a>
History of Internet	<a href="http://www.let.leidenuniv.nl/history/ivn/internet.htm">www.let.leidenuniv.nl/history/ivn/internet.htm</a>
Unicitral Model law	<a href="http://www.uncitral.org">www.uncitral.org</a>
Internet Advertising	<a href="http://www.iconocast.com">www.iconocast.com</a>

Traffic Rate of net	<a href="http://www.adbuytraffic.com">www.adbuytraffic.com</a>
Uses of Internet performance	<a href="http://www.wsi-internet-results.com">www.wsi-internet-results.com</a>
To get traffic on website	<a href="http://TrafficCircuit.com">TrafficCircuit.com</a>
Uses of website	<a href="http://www.4webhits.com">www.4webhits.com</a>
Result of performance	<a href="http://www.adsuccess.surehits.com">www.adsuccess.surehits.com</a>
Report of I A	<a href="http://www.readnsend.com">www.readnsend.com</a>
I A build Ads	<a href="http://www.bizmagician.com">www.bizmagician.com</a>
Traffic Attraction	<a href="http://www.increasesales.com">www.increasesales.com</a>
Ad of Web	<a href="http://www.page-zero.com">www.page-zero.com</a>
Types of Ads	<a href="http://www.instantinternetads.com">www.instantinternetads.com</a>

## LIST OF ALL SEARCH ENGINES

Lycos

Google

Yahoo Web Pages

Jayde

AOL Search

HotBot

HotBot UK

iWon.com ExactSeek

Fast Search (AllTheWeb.com)

Northern Light

Whatuseek

## META SEARCH ENGINES

Search.com

Metacrawler

Dogpile

Mamma

C4

Canada.com

ixquick

Infogrid

WebInfoSearch

Query Server

800go

Debriefing

Highway 61

37.com

OneSeek

MetaSpider

Vivisimo

PlanetSearch

SurfWax

qbSearch

ProFusion

Proteus

Go 2 Net

MegaGo.com

WebFile

myGO

